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# West Europe Report

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25 September 1984

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## 'NO TO NUCLEAR WEAPONS' OFFICIAL DEMANDS CRUISE MISSILE BAN

Oslo AFTENPOSTEN in Norwegian 22 Aug 84 p 3

[Article by Thorleif Andreassen]

[Text] The government must support a ban on sea-based cruise missiles and ask the United States to halt its current deployments! Magne Barth, information secretary of "No to Nuclear Weapons" said this to AFTENPOSTEN. "It is shocking that the government takes a problem that will be colossal in scope so lightly. It threatens to undermine all attempts to limit the nuclear buildup at sea," said Barth who will take part this weekend in a peace conference in Iceland with the slogan, "A nuclear-free North Atlantic."

Magne Barth is not merciful in his criticism of the government which he said shows no desire for arms reduction efforts in this area.

"When it comes to sea-based cruise missiles, the mood is definitely in favor of a buildup," he charged.

As proof that the government does not want a ban on these long-range nuclear missiles on allied ships, he pointed to Defense Minister Anders C. Sjaastad's statement in Storting on 14 March 1984: "'Norway appreciates the fact that such missiles can be based on American ships that can operate in ocean areas near Norway. That can give us greater guarantees for Norwegian security.' Sjaastad said that in March. We have now asked the government about this question. It referred to the defense minister's statement.

"Sjaastad also pointed out that the presence of Soviet naval and air force units in ocean areas near North Norway has quite different and larger dimensions than the presence of allied combat forces. And he raised the question of whether our allies could come to our rescue in time in a war or crisis.

"The first American long-range sea-based cruise missiles on submarines came in June. That was the starting signal for an arms buildup with cruise missiles at sea. In our area we can only lose in the competition between the United States and the Soviet Union as to who is stronger."

Haven't there been cruise missiles since the 1950's on the Soviet side too?

"Yes, but they were less accurate and had a shorter range than the current ones. The Soviet Union is now developing four or five types. They are certainly not less advanced than the American ones and will probably be deployed as early as this year. Now the government must support a ban on these missiles and ask the United States to halt its current deployments. That could be a first step in the right direction," said Barth who from Friday to Sunday will be discussing the arms buildup in the northern regions with colleagues from peace movements in the United States, Canada, England and the other Nordic countries. A freeze on both land-based and sea-based nuclear missiles now will be a central demand at the conference in Iceland.

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## HAPPART ON REGIONAL DISPUTES, EUROPEAN PARLIAMENT

Brussels LA LIBRE BELGIQUE in French 10 Aug 84 p 2

[Article by Thierry Evens]

[Text] Jose Happart lives with his mother in a fairly modern, isolated, one-story house. His property is on the edge of Fourons. A few hundred meters south lies the Aubel-Vise highway, "the demarcation line."

"Really, it's more like a wall created by nonsense and stupidity," corrects the burgomaster of one of the loveliest townships in Belgium. "Here is the occupied zone; there is the free zone." The situation is very clearly stated.

The weather is as superb as the setting itself, enough to set an ordinary deputy prefect daydreaming. But with Jose Happart, it's hard to leave the political arena. He has no time to read, no time to go out, no time to travel, no time even to have a family life. "I have sacrificed everything to politics," he says. "I have neglected Jose Happart. But I don't have any regrets. That's one reason behind my success."

His house seems open to everyone. There, between phone calls, his supporters, friends, relatives, and even another reporter come and go. This is actually a fairly uneventful day. Politics, whether minor or major, treated seriously or humorously, seems to be the main topic of conversation.

## Applauding the Flemings

A single subject outside of the Community and agricultural problems starts him talking right away: sports. "I played soccer and did some swimming," says Jose Happart. "I have an uncle who played with Standard in the 1950s. I have always rooted for that team, despite its problems. I really like sports more

than anything else. I was invited to the soccer match at Sclessin last year. I was the only one of the officials there who applauded for the two goals of the Liegeois FC. I did so because I thought they deserved it."

[Question] Would you have applauded for Flemish goals in the same way?

[Answer] That would have been harder. I am very much a Walloon. When I see a young woman from Arlon win a bronze medal in the Olympics, it's fantastic. I am definitely much happier than if a Flemish woman had won. And I think it's great that Criquelion was the first Belgian to finish the Tour de France race.

So there is it: no matter how much you chase away linguistic issues, they come right back again.

#### A Bad Year

On the buffet a group of family photographs, with a good proportion of smiling bridal couples, faces us. The history of the Happart family is a well known story: the farm at Chertal, and now in the middle of the steel works; the expropriation and purchase of a vast domain of 36 hectares in the Fourons, which was still a part of Liege in 1962. The family, with its two daughters, the twins Jose and Jean-Marie born in 1947, and the youngest, Jean-Gaston, moved. Then the father died: the twins interrupted their agricultural studies at St-Louis Waremmme to take over the work on the farm. They still farm it today. Jose works mostly on 7 hectares of fruit trees. "This has been a very bad year," he said. "Look at the cherries; they're 3 weeks late. That's a catastrophe: the companies that buy our cherries shut down on 10 August. And look at the corn (there is a corn-field behind the house). The corn is a meter shorter than it should be at this time of year. It's been too cold."

"Agriculture is a great job," he says. "You're outside all the time. But there are things that should be improved. We have to offer young people something more than the certainty of working 365 days a year with the profit going to the banks. The elimination of our small farms is a mistake. We have lost 350,000 jobs in agriculture over the past 25 years, plus related job losses. That is more than in coal and steel combined."

"Okay, the price of food has gone down. But at the same time, we are paying billions for people who are out of work. Gigantic size is a trap. On small farms, control would also be easier. It isn't small cattle breeders who have created milk surpluses; it's the milk factories located near the ports.

This is the union leader who, from 1973 to 1978, represented the young Walloon farmers in the Confederation of Agricultural Professional Organizations, a man who speaks with passion. He argues against inequities and explains why there are surpluses: "The man who gets angry at the earth gets angry at his master, our old people used to say. To guarantee food self-sufficiency during times of poor harvests, we have to plan for overproduction. And food self-sufficiency is essential. Ask the Russians what they think about it. The Americans would be better off using their food power rather than relying on their nuclear umbrella."

#### Heading for a Showdown on Schools in September

In 1978, because "the days are only 24 hours long," Jose Happart gave up his work in the agricultural union movement to devote his attention to Fourons. "That is where injustice was the most flagrant," he explains.

[Question] Very specifically, what are the French-speaking people in Fourons complaining about?

[Answer] About many things. About seeing the authority of the burgomaster whom they elected offset by the standing deputation. About being hassled by the police, who can't or won't speak French. About not being able to use forms in their own language when they want to do something like apply for a bonus for insulation, even though they have every right to do so. About having to speak Dutch almost perfectly to get a civil service job, while the same selection panel will take in applicants who can barely put together three words in the language of the majority. I am here in the position of a Resistance leader who has to deal with a Gestapo leader."

[Question] What about school problems?

[Answer] That's going to create some waves in September. There was an agreement to reopen the Flemish nursery school in exchange for expanding and modernizing the French-speaking primary school. We turned in the plans, drawn up by a Flemish architect in cooperation with the provincial services. The very same services sent the plans back to us twice: once because a step was too high, and another time because a bathroom door wasn't suitable for a handicapped person. Twice we corrected the plans. The last draft was sent in in May. We haven't heard anything since then. They can't treat me like a fool. In September I am going to close the Flemish school. They will scream about "that

terrible Happart who is hurting the Flemish children." But I am only asking for my rights. It's too bad we still have to go to such extremes. But I am right. They can cut off my head and my ears, and I still won't give in."

"Yes, I'm Afraid"

Cut off his head? Some people have thought about it...

"I get letters containing death threats. The gang who shot up a cafe in Fouron-le-Comte a year ago was after me. They said so when they were questioned. One day they caught Eriksson and his men, armed, just 800 meters from here. Yes, I'm afraid. It wouldn't be reasonable not to be. I do take some precautions. For 2 months I slept with a loaded gun in my bed. I don't do that anymore, but as people recognize me in the street, I wouldn't walk alone in a Flemish city. But in any case, they won't get me through terror. If they want me to stop, they will have to do what I want."

#### Van Miert's Help

Jose Happart has exported the Fourons problem to the European Parliament in Strasbourg where he also intends to defend the farmers and serve as a link to keep the people informed. A great deal has been written about the vicissitudes of his European commitment. It has been said and resaid that he considers himself a man of the left, but he maintains perfect independence in relation to the PS [Socialist Party]. It is known that he wants a Europe based on regions. "We have to move forward or stop spending money," he says. "We have to work with people who want to work, wipe out north-south differences, and possibly exclude those who don't want to go along with this. I am thinking about the English in this case."

[Question] What is the atmosphere like in Parliament?

[Answer] It's old, like the president with the unpronounceable name (Mr Pflimlin). He is certainly a fine man. But you can't expect a 77-year-old to have the dynamism to get things moving. On my right I have the Italian radical Marco Panella, who knows parliamentary regulations so well that he could drive any president crazy. On my left on the other side of the section is the priest from Limbourg, elected on the SP [expansion unknown] slate. He asked me to learn Dutch, as a gesture. But in the present state of affairs, that would be giving in. I will learn Dutch when they learn to respect the majority's rights. And on that day, it won't be just words: I really will.

[Question] Do other deputies talk to you about Fourons?

[Answer] Yes, a great deal. Van Miert's veto concerning my entry in the socialist group gave me a good launch pad. The Latins favor a revision of the regulations. The German bloc is less in favor. In any case, I will bring up the issue in September, but without asking that a motion be passed. The fruit should be ripe before it is picked.

[Question] Will you go to the Belgian Parliament?

[Answer] That idea has been bandied about. Everybody talks about it one way or another. I will make that decision by myself. If I do decide to, I want to go through the PS. But right now, I am definitely leaning more toward a negative decision. There are greater possibilities, especially financial, in Europe, and I haven't finished my job there yet. If I do decide to run, it would be just in a single election district, and I want to unite all French speakers above and beyond party lines.

His totals in the European elections (234,996 votes) clearly made an impression on Jose Happort. He spent less than 3 francs per voter for his campaign, which was financed by his supporters.

Mr Walloon--that's a name he doesn't mind at all. It amuses him that the "little peasant without any depth to him managed to teach a lesson to the politicians who were too far away from the people."

"I am not a politician," he says. "I am a farmer who takes his responsibilities seriously, and who has sacrificed everything to fight against injustice. And to those who scorn me, who think it's clever to treat me like a simple-minded peasant: let them put me in a debate against so-called competent people. They'll see..."

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## GREENS' POLITICAL BEHAVIOUR IN PARLIAMENT EXAMINED

Helsinki HELSINGIN SANOMAT in Finnish 12 Aug 84 p 19

[Commentary by Jouni Tervo: "What Is the Greens' Political Color?"]

[Text] The Greens are expected to succeed in the fall municipal elections. Because the movement lacks a program, it is difficult to locate on the political map of Finland. In Parliament, its two-man group has mostly supported the Peoples' Democrats.

If there are a hundred riders on a Helsinki street-car during the rush hour, a pollster will find 13 supporters of the Greens. Two years ago it would not have occurred to him to even ask about Greens. This illustrates well the rapid growth of the Green movement. In a year and a half, the movement has spread from southern Finland over the whole country, and it is projected to receive almost seven percent support throughout the country in the fall municipal elections.

The Green movement was born as an election coalition of alternative movements, loosely united by a strong desire for change.

It spoke of a revolution of values, rejection of the society of consumption, and incompetency of the parties. According to its own words, it offered a new policy, citizen's action, self initiative and responsibility for the environment. It demanded a place in society for handicrafts, part-time work, science and art.

Voters in the south responded to the call of the alternative movement and elected two Greens to Parliament. The Greens had become visible.

The Green movement is still composed of various alternative groups. They have not organized themselves--to the disappointment of some and the satisfaction of others--nor have they created a united Green program. But various views have grown within the movement about future activity. Helsinki, Oulu and Jyvaskyla are at the moment the centers of Green thinking.

Green [Social] Democrats in the Capital

The Greens in the area of the capital city have been maligned as green Social Democrats. The most visible figures in the movement, members of Parliament



Ville Komsa and Kalle Konkkola, and especially the secretary of the Parliamentary group, Osmo Soininvaara, have been eyesores.

Critics have accused the southern Greens of trying to achieve social changes through "radical reform." Generally they have been linked with the vocabulary of the DSP [Social Democratic Party], which is administering the government.

Some of the Greens fear that a policy of reform ties the Greens too closely with traditional party policies, limits its options, and emphasizes more than before the role of decision-making by society in its activity.

There is also criticism about stressing the position of the parliamentary group in Green activity. In the beginning, the members of Parliament and the group gathered in the background to support them were to be only one equal part of the Green movement--neither leading nor supervising. But public attention has nevertheless increased its significance.

In the opinion of Osmo Soininvaara, realistic endeavors for reforms are the only correct way for the Greens. He prefers to talk about a "realistic utopia."

The utopia is not individualized. The Greens talk about a new policy, a leap away from the "tunnel" of continued economic growth. They know their goals, but the means of achieving them are lacking.

According to Soininvaara, the Greens must inevitably talk about guidelines. He emphasizes that this is not a question of a party program, but of a desire to respond to the spirit of the times, the apparent "Greening" of the parties. "It is time for the Greens to show what a real alternative looks like," says Soininvaara.

The attempt of the Helsinki-ites to make Green ideology more precise without degenerating into a party can be described as the Greens' third line: they want to carry forward the discussion of principles without giving in to pressures from the extremes.

Debate about a program is needed because of practical requirements. The two seats in Parliament, one council seat in Helsinki, and projected increased support are increasing pressure from more precision in practical policies.

The Greens from the capital-city area are at a difficult turning point. The ecological wing from Oulu is pushing its four basic theses as the core of a Green program. But in Soininvaara's opinion that is not sufficient for practical politics. So debate should be continued, but this frightens the radicals. They believe that in the end it will still be necessary to establish a party.

Still, the Helsinki Greens have started to act. Soininvaara has already given up his other work and begun editing the movement's newspaper VIHREA LANKA [Green Thread] as a channel of debate.

## Pullianen's Oulu School

In Oulu there is an organized wing of the Green movement, already a registered society, which has tightly bound itself to the ecology and environmental protection. Its power figure is professor Erkki "Susi" [Wolf] Pulliainen.

The Oulu-ites have taken on themselves the task of constructing basic principles for the Greens. They received a partial victory at the June national meeting, which they hosted, and in which Pulliainen forced his four theses through, the first recorded Green program statements.

The theses say that the ability of nature's capacity must not be exceeded, the ability of man to withstand shall not be exceeded, long-range effects shall be taken into account in decisions, and bills shall not be left for future generations to pay. The enthusiasm of the Oulu-ites for formulating the theses and for organized activity is dividing the Greens--on the other side the work of the Oulu school and especially its biological expertise are being criticized.

The theses have been called empty nonsense and useless truisms. Part of the Greens consider them the first step toward an official program and a Green party.

In Pulliainen's opinion the theses are as firm as iron, a scientifically sound unity. According to Pullianen the idea is that they are being broken everywhere all the time. For this reason the Greens should base their activity on them, talk about them, and market them until they have been implemented to the n-th degree. Then, in the opinion of the Oulu-ites, the Green movement will have accomplished its task.

Through the Oulu school's theses glimmers the 10-year old vision of an ecological party.

In the mid 70's, concern about the living environment got some environmental protectionists to thinking about starting their own party. They were not really interested in social philosophy, and they were not frustrated with parties and politics.

The Oulu-ites are clearly the heirs of these ecologists. Thus traditional forms of organization do not bother them. According to Pulliainen, it is necessary to be exposed to political activity in order to change society, even at the cost of credibility.

The Oulu society does not emphasize its organization publicly, but other Greens see it as a group that is vulnerable to becoming a party, requiring programs and membership.

Between the Oulu Greens and the ecological party, which remained a dream, there is another link: Pentti Linkola, a freethinker who started out as a fisherman and has become the Pullianen's only true Green. In the opinion of

the professor from Oulu, the others have given up extreme measures under the pressure of reality and are seeking alternatives. In Pullianen's opinion Linkola is an ideal, but generally impossible, model of an individual.

### Jyvaskyla's Green Anarchism

Organization is a second-rate activity, almost a curse word, to the Jyvaskyla alternative group, which originated in the university's Political-Science Institute.

In the opinion of Jukka Kanerva, a political science researcher, the Greens should support total independence and people that act and think differently.

The group abhors all the programs that are sprouting up and all attempts to unify Green thought. The theses of the Oulu ecologists and the efforts in the capital through the VIHREA LANKA are condemned equally.

According to Kanerva the Greens should try to change the party system from outside the parties, without organizing into a party.

But the Jyvaskyla-ites do not completely reject the methods of traditional politics; they want to apply them differently. Asserting influence from the outside means in practice that information obtained through a council member or member of Parliament is published and widely distributed. In this way pressure for change builds in the old parties, which will perhaps get an ossified organization into action, the Jyvaskyla-ites believe.

Abandoning parties does not, in their opinion, affect participation in municipal and national politics; they believe they can tolerate even a temporary election system.

In Kanerva's opinion, however, it is essential not to imagine that the system can be changed from within. Pushing into the parties was, in Kanerva's opinion, an error made by the movement that started strongly in the 60's.

In Kanerva's opinion, the Greens have been wrongly criticized for excessive intellectualism, because the problem is precisely a weakness in the theoretical foundation. To strengthen it and to seek for European principles, will be a gift from Central Finland that will mean more to the Greens than the Greens do to the Jyvaskyla-ites.

### What Was the Green Line in Parliament?

The Greens' actual deeds in everyday politics are uncovered in Parliament.

The behavior of the two-man parliamentary group--how it votes, for whom and against whom--is shaping the whole Green movement's line.

During the past fall and spring, Parliament has voted 702 times. At least one of the Green members--Ville Komsa or Kalle Konkola--was present for 692 votes. What kind of Green line came out of them?

As an alternative movement, the Greens are by nature close to the opposition. This is borne out by the voting statistics.

The Greens have mostly supported the People's Democrats. They have voted together against the others 146 times. The Greens and the Conservatives have joined [against the others] 67 times.

The Greens and the SKDL [Finnish Peoples Democratic Union] have been in agreement with the government 133 times, but the Greens alone with government only 39 times.

In a total of 429 votes the Greens and the SKDL have been united with others, mostly Conservatives and the government.

The Greens and the SKDL have harmonized best in social policy. The SKDL in general sessions has often supported initiatives made by Kalle Konkkola in the Committee for Social Affairs.

On the other hand, the Greens consider the SKDL's employment policy as an old fossilized one and the People's Democrats' economic policy as too tightly bound to trade with the East.

The other large opposition party, the Conservatives, has not received as strong support from the Greens as the SKDL. Konkkola, Komsí and the Conservatives have voted together 67 times. They have been on the same side in a total of 288 votes.

The Conservatives had collected most of their Green support on questions of school laws, budget and questions of information.

The SKDL has received support equally in both sessions, whereas the Conservatives received more support in budget voting. According to Kalle Konkkola, there is no acknowledged reason for this. He suspects that the difference has become narrower as employment and economic matters have been decided.

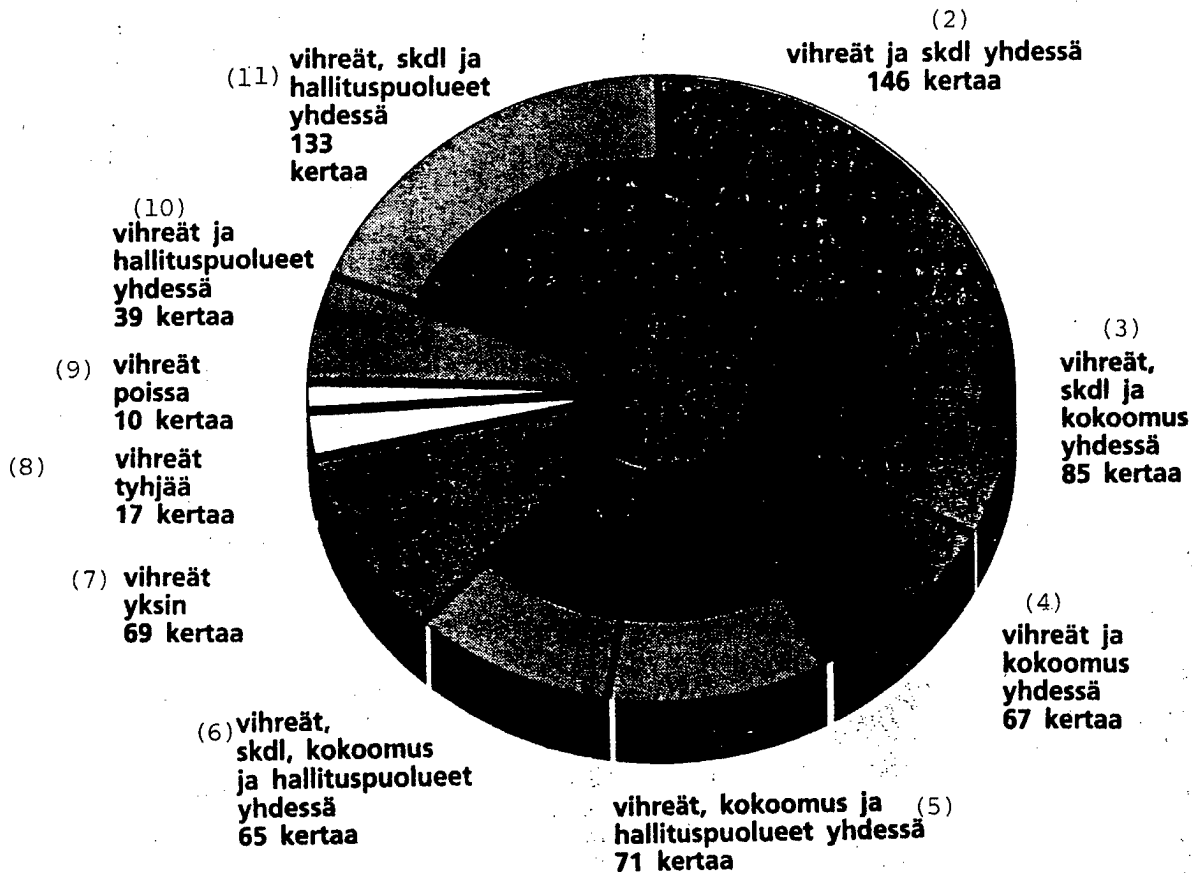
The Greens have attacked most vehemently the government. They accuse its social policy of chilling society and its economic policy of being a jerky one.

The Greens do not approve of any kind of combinations with other parliamentary groups, either with the People's Democrats or others. They would prefer to place themselves completely outside the traditional right-left polarization.

They have even been partly successful in this.

The Greens calculate that a two-man opposition group cannot influence decisions. Therefore, the cornerstone of their policy is to be sought in publicity. The Green alternative is being marketed effectively in order to increase its response. Support figures show it has been increasing, too.

(1)  
**NÄIN VIHREÄT OVAT ÄÄNESTÄNEET**



Key:

- (1) This is How the Greens Have Voted
- (2) Greens and SKDL together 146 times
- (3) Greens, SKDL, and Conservatives together 85 times
- (4) Greens and Conservatives together 67 times
- (5) Greens, Conservatives, and government parties together 71 times
- (6) Greens, SKDL, Conservatives, and government parties together 65 times
- (7) Greens alone 69 times
- (8) Greens abstained 17 times
- (9) Greens absent 10 times
- (10) Greens and government parties together 39 times
- (11) Greens, SKDL, and government parties together 133 times

## SKDL SAYS CP INTERNAL RIFT MAKES GOVERNMENT ROLE IMPOSSIBLE

## SKDL Chairman Stepping Down

Helsinki HELSINGIN SANOMAT in Finnish 15 Aug 84 p 9

[Article by Kyosti Karvonen: "Kalevi Kivisto: SKDL Will Not Get into the Government Until the SKP Situation Is Cleared Up"]

[Excerpt] Oulu--As long as the situation in the Finnish Communist Party (SKP) continues to be uncertain, it would be sensible for the SKDL [Finnish People's Democratic League] to stay out of the government. This is the opinion SKDL chairman Kalevi Kivisto (People's Democrat) voiced on Tuesday in Oulu.

According to Kivisto, it would be sensible to watch the drama that is going on in the SKP until it is played out before seriously beginning to knock on the doors of the government. He nevertheless emphasized that they were not found closed.

The districts controlled by the SKP's Stalinist minority are demanding that a special party congress be held to correct the decisions of the 20th congress held in May. Both the moderates and the Stalinists probably want to observe the municipal elections before the new congress that is scheduled for next spring.

Kivisto felt it unlikely that the doors to the government would open to the SKDL immediately after the municipal elections -- rather reshufflings in the government are to be expected.

SKDL parliamentary delegation chairman Veikko Saarto (Communist) also felt that, if the government has no desire to welcome it, hardly anything will come of the SKDL's joining the government this fall. Saarto viewed the SKP's internal pressures as an obstacle to SKDL efforts to get into the government.

In the opinion of Stalinist Member of Parliament Ensio Laine, joining the government will depend on the platform, not on the principle that the SKDL will react favorably to a Center-Left government coalition.

At the parliamentary delegation meeting SKDL leaders did not very eagerly offer their opinions of the SKP's internal situation, which will again be on the agenda when the SKP Central Committee meets at the end of next week.

An exception to this was SKDL first secretary Jorma Hentila (Communist), who is resigning and who said that he felt that there is a danger that they would begin to demand of the SKDL solidarity with the moderates and that the People's Democratic movement would begin to dodge issues on which the SKP and the SKDL have different views. As an example of these different views, Hentila mentioned the energy policy, in connection with which the SKDL's attitude toward a new nuclear power plant is considerably more reserved than the SKP's.

Hentila urged the moderate Communists to examine their own ways of doing things if they feel that democracy is the basis of their system. In his opinion, it is a Jesuit morality to say that, if the Stalinists act like this, why shouldn't the moderates do so too. Hentila cautioned the SKP not to drift down the path of actions involving organization politics.

At the start of November Hentila will change positions to become chief editor of the magazine ALKOHOLIPOLITIIKKA. "If the SKP congress had ended differently, I would not have left my post of first secretary for any other," he said.

Kivisto quite obviously evaded the question of the governorship of Keski-Suomi, which has been offered him. "In politics one should never say never," Kivisto reflected, but added "that the simultaneous departure of the chairman and the first secretary from the SKDL would be an embarrassing situation." Hentila regarded it as an obvious fact that the governorship of Keski-Suomi would remain in the hands of the Center Party.

As for next year's national budget, Kivisto thought that it would be harder for the government to reach agreement on the budget with the opposition than it was last year. Having agreed to it last year and wisened up because of its misfortune, the Conservative Party has raised the threshold of its readiness to reach agreement higher than it was.

#### Saarto's Platform Endorsed

As a conclusion to its 2-day conference, the parliamentary delegation endorsed Veikko Saarto's paper, christened an eight-point platform, which outlines the SKDL's budget objectives. The paper largely corresponds to the delegation committee outline that had already been published on Monday.

#### CP Planning Extraordinary Congress

Helsinki HELSINGIN SANOMAT in Finnish 16 Aug 84 p 12

[Text] The demand made by the SKP's seven Stalinist districts for the organization of a special party congress will be on the agenda for the party's next Central Committee meeting. The party Politburo decided this on Wednesday.

According to SKP information secretary Oiva Bjorkbacka, it is likely that preparations for a special congress will be set in motion. Its scheduling will, however, apparently be decided on later. Bjorkbacka said that the matter will require a normal organizational preparation, at which time they will look into schedules and agenda items and set the preparations in motion.

A meeting of the Central Committee will be held on 24-25 August at Sirola College in Harviala. So far seven districts have demanded a special congress. Uusimaa has not yet officially proposed it.

On Wednesday the Politburo gave its full support to the objectives pertaining next year's national budget that were approved at the SKDL parliamentary delegation's summer conference. In an SKP communique they said that these clearly emphasize the difference between People's Democratic policy and the economic and social welfare policy line adopted by the government.

#### Stalinist Party Organ on Rift

Helsinki TIEDONANTAJA in Finnish 8 Aug 84 p 2

[Editorial: "The SKP's Situation"]

[Text] Speaking at the Satakunta People's Democratic provincial celebration last Saturday, Arvo Aalto declared the irreversibility of the change produced in the party by the 20th SKP Congress.

Aalto's position is in thorough opposition to the interest of the SKP. The party's interest demands a swift exit from the blind alley the conservative faction takeover that occurred at the 20th congress has led the party into.

Those representatives who have the confidence of the majority of the party members were excluded from the party leadership. The divisive actions carried out by the Aalto leadership faction against the district organizations, the dismissals of officials and closing down of the party organ constitute a direct attack on the party itself and are pushing the party toward complete dissolution at a time when our country's national interests and the interests of the working people require a strong SKP and when we are facing important municipal elections. The party has both nationally and internationally been driven into a state of paralysis and isolation.

Aalto proclaims the irreversibility of this blind-alley situation. For this reason he is an uncommon party leader.

The majority of the party members are demanding that we get out of this blind alley, repair the damage that has been done with immediate measures and do so through a special, unifying party congress. In vain did Aalto attempt to brand those who are demanding that the party be saved a mere "TIEDONANTAJA movement" in his Satakunta speech. In addition to the eight party districts that publish TIEDONANTAJA, a lot of others also belong to the coalition of party-supporting forces.



We must start to repair the damage as early as at the next Central Committee meeting by revoking the divisive measures invoked against the SKP's Turku and Uusimaa districts and the dismissals of officials as well as enjoining Communists everywhere to see to it that a united effort is made in the municipal elections. A special, unifying congress must be called as quickly as possible.

The Aalto leadership faction certainly does not want to set in motion these measures appropriate to the interest of the party. It has not seized the party leadership to give up "its gains," but to consistently carry on its policy line. On the other hand, the older and younger SKP generations have not fought and suffered on behalf of the party's interests only to now surrender it to the control of a conservative faction without any more of a fight than this. To save the SKP we must act decisively and follow through. The present situation and the reasons for it must be explained to party members and friends. It must be made clear who is dividing the party and for what purpose. We must rally the ranks as widely as possible on behalf of the party and its main line in opposition to the monopolies.

All this is indispensable to save the party as well as in the event that the conservative faction should succeed in barring the way to party unification. In both cases the support of the masses must be taken away from those who are dividing the party, support which does not belong to those who divide the party.

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CSO: 3617/212

## HERZOG DISCUSSES PCF ACTIVITY, ELECTION LOSSES

Paris L'HUMANITE in French 7 Jul 84 p 5

[Article: "New Approach, New Criteria: How Can We Best Achieve What We Are Striving For? An Editorial by P. Herzog in ECONOMIE ET POLITIQUE"]

[Text] The latest issue of ECONOMIE ET POLITIQUE,\* which has just appeared, opens with an editorial by Philippe Herzog, a member of the PCF [French Communist Party] Politburo, which is entitled "New Policy and New Management Criteria." An article by Minister of Employment Jack Ralite on "The Effectiveness of Public Subsidies for Employment" and an analysis of the cable plan can also be found in this review.

"Very many Frenchmen," Philippe Herzog writes, "have invested great hopes in the alliance of the Left and the new government of France. And yet the policy that has been pursued does not actually correspond to their hopes! After having realized important reforms in the right direction, the government has tended to comply with employers' management rules. Employment and purchasing power are declining. Workers are not being listened to and are not mobilizing themselves so that the reforms are not bearing fruit. The government is furnishing the capital, but recovery and the modernization of production operations and employment have not kept their appointment with it. Under the circumstances discontent and disappointment are building." (...)

After reminding us of the magnitude of the abstentions on 17 June, which hit the PS [Socialist Party] and the PCF hard, he notes: "This situation represents serious problems for the majority. As for the Communists, they have made major efforts to appeal to the workers to fight and to change the government's course of action. We demonstrated that this so-called 'indispensable' policy (...) cannot succeed. We presented coherent solutions for a better policy of the Left. And we appealed to the workers and the population to support us. In vain on 17 June."

"The potential for listening and for a dialogue is real," he writes, "but we have to shake up the skepticism and combat ideas about the fatality of crisis (...) How can we best achieve what we are striving for?" (...)

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\* ECONOMIE ET POLITIQUE, July-August, 8 cite d'Hauteville, 75009 Paris.

## Initiatives

"Discussion," Philippe Herzog goes on, "on these issues was engaged in in the Central Committee of the PCF and in the whole party. It has been shown that we can best arouse determination in people through listening, dialogue and initiative and through being better ourselves by clearly asserting our identity, our orientations, our proposals. This we make an urgent appeal for the development of initiatives for bold and realistic actions at all levels, in the alliance of the Left government as throughout the country, to immediately make employment the focal point of the country's policy" (...) After having rapidly outlined the main points of the PCF proposals and demonstrated that it is necessary to work to improve on the mastery and implementation of our strategy, he notes that this strategy (...) is to above all work to rally the people of France to engage in an active and conscious struggle against the crisis, in the diversity of its components and through a convergence of their efforts to achieve a new efficacy. The alliance of the Left is an instrument of this rally.

## Staging — Your Strategy

"Our strategy is no longer a combination of, on the one hand, waiting for some great mythical evening to build a socialist society, the model for which was, at the least, obscure, and, on the other hand, a simple alliance built around a government of the Left. That won't work. And what is more, because the PCF's strategy is often wrongly identified with government participation alone and because the current policy does not satisfy people, many people think that the Communist strategy has failed." (...)

## A Whole

How can people be helped to participate and amass "sufficient influence at all levels"?

"Fundamentally, I would offer two reflections," P. Herzog states. "The first to underline the strategic importance of worker participation in management. No summit solution can dispense with this. (...) There is a lot of talk about changes, sometimes superficially and in a way that strikes people, as if it were a matter of external forces over which they have no control. The Communists are working to formulate profound changes in firms and management with, in a complementary way, decentralization of the state so that people will really have the instruments necessary to extract themselves from the crisis, for a new policy with the people themselves and new management criteria so that social aspirations and demands may be expressed responsibly through management effective in resolving crisis problems. These two approaches form a whole. One cannot work without the other." (...)

The second reflection has to do with "the effectiveness of the economic policy: The initiative 'below' and the global policy must complement one another," he concludes.

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CSO: 3519/470

## CHINESE VICE MINISTER VISITS SPACE INSTALLATIONS

Paris LIBERATION in French 9 Aug 84 p 2

[Article by J-P Dr.]

[Text] Chinese Vice Minister of the Space Industry Liu Jiyuan at present figures among those VIP's most courted by Western manufacturers of space equipment. Invited by Laurent Fabius when the latter was still minister of industry, he was in Kourou on Saturday to admire the takeoff of the Ariane-3. Yesterday he visited the MATRA (Telecom-1A Foreman) satellite assembly installations in Toulouse (our photo). Today Liu Jiyuan will be the guest of the National Center for Space Studies.

This charm offensive is very motivated: China is soon to call for international bids on the construction and launching of one or more satellites destined for its future radio broadcasting and television network. A pie for which the Europeans intend to hotly dispute their American competitors.

Meanwhile, Liu Jiyuan is documenting his file. He is quite familiar with the subject matter. China has in fact already launched a dozen small satellites with its own launchers. The latest Chinese space achievement is a rocket whose third stage is provided with a cryogenic engine.

Its first launch was made last 29 January. A bit "young" to launch very expensive operational satellites. But the Chinese definitely intend to persevere in this sector and the contracts they enter into with the winner in the bidding will include very specific clauses pertaining to "technological transfer." Today's good customer seriously plans to become tomorrow's competitor.

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## PEACE MOVEMENT PLANS OCTOBER DEMONSTRATION

Paris L'HUMANITE in French 13 Jul 84 p 3

[Text] The signatories of the "Appeal of the One Hundred" have just published an appeal calling for a demonstration in Paris on 28 October 1984, the last day of the week dedicated to disarmament by the United Nations. Persons wishing to contribute financial support for this initiative may send their donations to the new address of the Appeal of the One Hundred.\*

"In this summer of 1984 the risk of collective suicide by mankind is more threatening than ever. We now know that a nuclear conflict would have such disastrous consequences that a long 'nuclear winter' would extend over our planet, endangering most species.

"The potential catastrophe is of such magnitude that it surpasses our imagination. If we were incapable of looking it in the face, we would run the risk of acting as if we were not threatened by it. The fight that has to be fought today is that of life against death; it deserves our every effort, it requires the commitment of everyone.

"To demonstrate this commitment, in June 1982 several hundred thousand people participated in the appeal by one hundred important figures representative of the different tendencies in French society, in a march in Paris. On 19 June 1983 a half a million men, women and young people met in a 'peace festival' to demonstrate their hope for a world at last liberated from the anxiety of its self-destruction.

"It is important, this year again, to express this hope and our determination to make it materialize. The Appeal of the One Hundred invites all friends of peace to a demonstration in Paris on 28 October 1984, the last day of the week dedicated to disarmament by the United Nations. It will be an immense procession during which our choice in favor of a free humanity, through which respect for man, that is, all men, will at last be realized, will be expressed in a thousand ways and in the broadest kind of unity.

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\* 67, rue de l'Aqueduc (75010 Paris). Telephone: 203.15.33.

"We want detente to be substituted for tension, negotiation to prevail over solutions obtained by force, a balanced disarmament agreement to emerge through this and money that is now devoured in the arms race to be devoted to the activities of life.

"Through the determination of us all, the 28 October will be a summit in the struggle to guarantee our security in a world liberated from the specter of a nuclear conflagration, infatuated with peace and friendship among peoples."

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CSO: 3519/470

## MITTERRAND'S POTENTIAL PLANS FOR REFERENDUM ANALYZED

Paris LIBERATION in French 20 Aug 84 p 7

[Article by Serge July: "The Real Referendum Battle"]

[Text] It is a problem that the marketing experts know well: how to give a brand or fashion a fresh start. Mitterrand is certainly not an expert in communication but it must be admitted that he has succeeded in giving a new lease on life to the trick of the great Charles: the referendum. He literally rescued it from the oblivion of the Fifth Republic, making it the buzzword of the summer, the semantic crossroads of the totality of French political life and its most probable horizon.

The practice seemed to have been forgotten for 12 years, and one wondered how Mitterrand would go about reintroducing this pillar of Gaullist governmental imagery into a "leftist" system. It did not stand to reason, whether for Mitterrand who was the main champion of the popular vote, or for his majority which has expanded on the benches of the "massive and nonfree."

Now even those who understood nothing of the developments in the constitutional article which has placed Mitterrand and the senate at odds all summer know that now "there is a referendum in the air."

An Obsessional Date: The Parliamentary Elections of 1986

Not without reason; by taking the initiative of submitting to the two assemblies a draft referendum on referendums, as one says in lapidary style, Mitterrand has finally chosen to play presidential logic against that of the calendar. With an obsessional date: the parliamentary elections of 1986.

At the end of June and beginning of July, presidential counsellors, ministers and hierarchs of the PS [Socialist Party] more or less shared the same gloomy outlook: hard to imagine how the majority could remain in the majority in the National Assembly in 18 months time. Limiting the damage became the goal for the majority, which was preparing itself to undergo the parliamentary elections without the slightest means of escape. Strengthened by this certainty, the opposition intensified their attacks.

Several weeks later, despite the negative reply of the Senate to the draft referendum, a whole new political climate has been established. A battle has been joined which is far from over, and whose first event has just concluded in general confusion and at the expense of the opposition as much as of the president, all equally mixed up in a molasses of maneuvers, feints, traps and improvisations. But all in all, considering the delicate situation he was in last June, the fact of having neutralized the opposition is already a plus for Mitterrand. Against the outburst of the opposition, he has at his disposal two particularly formidable defensive weapons: the proportional and recourse to a referendum.

The referendum bet on the pseudostakes constituted by an extension of Article 11 forced the opposition into a sort of contortionism which now makes possible the introduction of a referendum of quite a different kind.

#### On the Referendum Horizon, the Reduction of the Elysee Mandate

Without acknowledging it publicly, both sides are as a matter of fact convinced that one referendum may well hide another, and that behind the scenario of July there stands a much more "serious" draft referendum against which the senate this time will not be able to do anything. This referendum war machine has to do with the reduction of the presidential mandate to 5 years. In 1973 Pompidou, who was on the lookout for squalls, pushed the text of a draft referendum on this subject through the two assemblies. He did not have time to use it, leaving it as a legacy for his successors along with the keys to the Elysee. It is precisely because the leaders of the opposition recognize the reality of this menace that they deemed it expedient to pack the defense against any possibility of Mitterrand's having recourse to a referendum, according to the old adage: "prevention is better than cure."

For more than a year, Raymond Barre, who loves to play Cassandra, has been repeating to anyone willing to listen that he is convinced that Mitterrand's scenario is certainly to organize a referendum on the presidential mandate in 1985, followed by his resignation in order to precipitate presidential elections before the end of 1986. It is this prediction that the operation set in motion in July resurrected.

Raymond Barre is not the only one to think this way; a current minister, and one of standing, acknowledged recently that "it is indeed the only referendum that Mitterrand can call between now and 1986." What only a few weeks ago was no more than a sophisticated deduction has become, towards the end of the summer, a probability if not a certainty.

Paradoxically, senate opposition has transformed Mitterrand's political maneuvering into an unalterable situation. By refusing him his window dressing referendum, the senators are forcing Mitterrand, even if such was not his original intention, to go right to the end along the referendum route. As a matter of fact, if Mitterrand went that way, his July initiative would end with a loss of authority. Never under the Fifth Republic has a president been prevented from organizing a referendum. Briefly stated, by saying no to Mitterrand, the senators have brought on a crisis in the regime before its end.



The crisis in the regime was expected for 1986: a parliamentary majority hostile to the president of the Republic making all cooperation impossible. It broke out this summer with the opposition having transformed the senate into an authority which in the eyes of the public has the right of veto over the president's initiatives.

At this point, it is up to the president of the Republic to spare the country this crisis in the regime, to get out of it as quickly as possible; public opinion does not like regime crises. And from this perspective, recourse to a real referendum on the problem of the erosion of presidential legitimacy is particularly appropriate. This is certainly the purpose of a constitutional reform concerning the length of the presidential mandate. But this time it is no longer the opposition which has the initiative on the question of legitimacy--it is Mitterrand.

Since the municipal elections of 1983, the opposition would like to move up the parliamentary elections, inferring successive electoral defeats for the majority. The majority is no longer in the majority, repeats the opposition tirelessly. "Dissolve!" chants the RPR [Rally for the Republic] almost every week. By taking the battle to the senate, the opposition has derailed its destabilizing effort; it is no longer the outcome of the parliamentary elections which has priority but that of the presidential elections. In a few weeks, a transition has been made from the question of parliamentary legitimacy to that of presidential legitimacy. On the first, Mitterrand and his majority are beaten a priori; on the second they have real assets at their disposal which make the issue more uncertain.

#### Presidential Elections Anticipated; Mitterrand Master of the Game

It is hard to imagine the opposition coming out against a possible shortening of the Mitterrand presidency. Even the most fanatic among the opponents of the current majority will rush to bring an end to the reign of Mitterrand. According to all the polls, this referendum would be an indisputable success for Mitterrand and also a delightful revenge on the senate. But, and here is where the referendum offers considerable advantages for the current president, he could take cognizance of the electorate's desire to shorten the presidential mandate by resigning then calling a presidential election, in the fall of 1985 for example.

Such an election would be particularly dangerous for the opposition which is continually undermined by the rivalry of its leaders. The present show of unity between enemy families would obviously fly to pieces and there would be at least four candidates vying for the opposition votes: Chirac, Giscard, Barre, and of course Le Pen. On the left Mitterrand, who would obviously try to obtain a second mandate, would only have to face a single communist candidate so that the votes of the Left would be grouped together, whereas those of the opposition would be distributed amongst several tickets.

In all probability, the second round would then be played out between Mitterrand and Chirac with a considerable loss of centrist votes for Chirac in the opinion of some election experts. In short, the game favors Mitterrand if he can prove "that he is on the way to economic success," as one of his closest advisors puts it.

At this point, the problem of the parliamentary elections would be stated in other terms, whether they too are held early or at their appointed time, which is more likely in the event of a Mitterrand victory in the presidential elections.

This scenario has been in effect since Mitterrand has been campaigning for the idea of a referendum. It has become more or less inevitable since the senate placed its veto on the Elysee's decoy referendum. What was only a politician's vicissitude risks becoming a real political battle. Rather, the decisive battle.

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## PCF-PSF SPLIT, OUTLOOK FOR FALL EXAMINED

Paris LIBERATION in French 20 Aug 84 p 6

[Article by Eric Dupin]

[Text] They have split, but have not yet come to blows. The PC and PS have been playing down the breakup of the majority coalition for a month. And the end of the Union of the Left has not made any impact on public opinion. But when parliament resumes, communists and socialists could well get into a shouting match.

A month after the split of 19 July, the cadaver of the Union of the Left is still not cold. The PS-PC break of 1984 provides a striking contrast to that of 1977. The divorce at that time was explosive. Carried out rapidly, the split immediately launched a violent controversy that was fueled by mutual accusations between communists and socialists. Leftist opinion was profoundly disturbed by it.

There was nothing like that this time. In the summer mugginess, the official announcement of the death of the Union of the Left, lost among other sudden changes as political as they were ambiguous, by no means produced a bombshell effect. It was merely one event among many others, so unsurprising that it does not appear to have made any real impact on public opinion. Robbed of its originality, the split of 19 July has also been carefully played down by both parties. The time for deciding who was responsible for the split has not yet come.

It is true that the departure of communist ministers could not have surprised anyone. The breakup of the majority coalition was so slow, and indicated for a long time by a thousand signs, that its final realization emerged as an obvious political fact. The PCF began to oppose the government's choices as early as June 1982. It clearly chose the perilous path of participation without support in January 1984. Since then, the logical progression of the split, whose most striking symbol was Georges Marchais' participation in the march of iron and steel industry workers in April, made the PCF's ministerial involvement more and more artificial. The communist debacle in the European Parliament elections hastened the outcome. The Central Committee in June assessed the results of government participation as clearly negative. The PCF leadership was then ready to seize the first favorable opportunity to end it.

## The Quiet Handling of the Split

The Mitterrandian victory in the second-round referendum, as clever in form as it was symbolic of the presidential choice of a "readjustment," provided PCF headquarters with a golden opportunity to withdraw from the halls of government. The split became a fact long after it had become an idea. The PCF actually stopped thinking of itself as part of the majority long before 19 July 1984. And it wasn't just for a month that the socialists felt that they alone had taken charge of the government.

The disappearance of the group of four communist ministers upset the political process even less because both leftist parties have thus far endeavored to handle the split quietly. This rather unnatural serenity is basically due to the tactical concerns of both sides. For the time being, no one wants to launch a controversy that would make its initiator look like he was really responsible for the split.

Thus the communist leadership is striving to avoid any aggressive behavior toward the PS. "We are ready to support any positive action that the government takes," Gisele Moreau asserted Friday evening in Fontenay-sous-Bois, swearing that communists would be "loyal" to the government and would not engage in "one-upmanship under any circumstances." The PCF has promised that it intends to exercise "constructive behavior making it possible to have a positive influence on the course of things." These fine words reflect the communists' concern for convincing their voters, most of whom favor the alliance with the PS, that their party is not the aggressor. The PCF has not yet taken the position of a ruthless prosecutor of Mitterrand's "shift to the right" and his abandonment of the sacrosanct goals of 1981. Its self-restraint is matched by that of the PS, which was itself shaken by the summer's political developments and which hardly has any interest in opening up a new opposition front on the left.

### PCF Neither part of Majority nor of Opposition

And yet the relative calm prevailing today among the left is terribly precarious. If the departure of the communist ministers did not produce the public opinion impact that Mitterrand could have exploited to his advantage, the process of the majority's decomposition will undergo new developments. Communist thinking is highly evolutionary. Right after the split, the PCF was still affirming, half-heartedly, that it was part of the "majority." This is no longer the case already. Roland Leroy explained on Friday that his party was neither part of the majority nor part of the opposition, since it no longer defined itself "in relation to this or that political position." And he added that the PCF was now "an independent party whose positions are determined according to workers' interests."

For the present, the PCF's policy is therefore "Jobertist." But it will not always be an "outsider." Communist leaders are now declaring that they will judge the Fabius government according to its "actions." But as it happens, Gisele Moreau stated on Friday that she believed that the situation "is tending to worsen" and that the events which followed the communist ministers' departure "confirm the validity of our decision." Without a doubt, from the announced

layoffs in the automobile industry to the increase in gasoline prices and the reduction of interest rates on savings accounts, nothing has really met with the communists' approval.

Their pessimism concerning the succession of events is no secret either. "Nothing in the projects announced makes it possible to hope for a positive development," Gisele Moreau remarked. That is certainly a poor indication of any leniency by the PCF toward the socialist government. All its initiatives, one after another, will henceforth be subject to the running fire of communist critics. The gradual evolution toward a systematic opposition and antisocialist sectarianism of the 1977-81 type is very likely in the intermediate term.

The turn that events have taken offers the PCF the sole prospect of counting on Mitterrand's later defeat. To be convinced of this, we need only reread what Georges Marchais said in April 1984 in an interview with REVOLUTION: "Not only would our departure (from the government) not solve any problem, but it would only create the conditions for a worsening of the situation, with the likely defeat of the left in the end." The general secretary immediately added: "Workers and democrats will probably blame us for that. They will probably be right." The time is definitely far off when Marchais stated, as he did on 25 March before his party's business militants: "Under these conditions, must we leave the government? We certainly won't give the right that pleasure!" Elementary, my dear Watson....

#### The Clarification Isn't Over

In the fall, the divorced PS-PC couple may well resume its former shouting matches. Marcel Debarge, national PS secretary, predicted on 5 August: "We think that the debate with the Communist Party will take place when parliament resumes." The long ordeal of "clarification" has not yet reached its end. Its future stages will be even less painless because the pathetic "July revolution" is plunging both leftist parties further into an identity crisis that each is experiencing in its own way. The broad consensus that has emerged within the PCF in favor of a ministerial withdrawal has by no means settled the internal debate over party practices and strategy. The dynamics created by withdrawal from the government, of course, greatly favor the plan of party conservatives. But basic issues must still be resolved and different concepts of the PCF's future continue to clash with each other.

Within the PS, which was not even able to convene its Steering Committee during the summer, the breakup of the majority coalition and the Florentine complexity of the presidential process have naturally caused a certain amount of confusion. It will be even more difficult in the future for Lionel Jospin to assert that the same policy will continue.... Eighteen months away from the parliamentary elections, both leftist parties are damn well bewildered. But what does it matter, since Francois Mitterrand is apparently a supremely clever man....

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CSO: 3519/485

## CFDT SECRETARY GENERAL EVALUATES NEW GOVERNMENT POLICIES

Paris LE MONDE in French 21 Aug 84 pp 1-2

[Interview of Edmond Maire by Michel Noblecourt]

[Excerpts] [Question] Do you think that, with Laurent Fabius's arrival, the new government's economic and social policy will change or deviate?

[Answer] It is too soon to say exactly what the Fabius government's economic policy will be. But the CFDT [French Democratic Labor Confederation] is very much aware of the danger of a balancing movement that could drag government policy in the direction of liberalism, if only a progressive one. Prior to March 1983, the CFDT firmly opposed the state's doing everything and also the protectionist tendencies of part of the political majority. Since then, the danger of protectionism and of excessive political intervention has been effectively shunted aside but without an adequate policy having been determined that would combine the individual initiative necessary to stimulate and modernize industry with the indispensable collective will to take economic and social development in hand to reduce unemployment. For several months, we have, in fact, perceived in the facts behind the words a serious retrogression in government concern for employment, a weakening of the idea of planning and also a shrinking back from the great ambition to struggle against existing inequalities.

[Question] Do you have the impression that social inequalities have grown since the Left came to power?

[Answer] This is obvious if one considers the increase in unemployment, which is the chief social inequality today. I am not saying that it is the fault of the Left, which has reduced other inequalities but has not been able to stop this one from getting worse. At present, there are more than 100,000 young people who have only 1200 francs a month and no occupation. In the face of this growing inequality, too much time is being lost in finding solutions, including some sort of occupation for these young people.

A second aspect--the city and housing are being sacrificed. The building crisis amply demonstrates that the construction and renovation effort has slowed down markedly. To be sure, it is necessary to redirect funds toward industry but this must be done without sacrificing the cities, suburbs and

new residential areas and leaving them in a socially tense situation. One of the great social lessons of last June's election and of Mr Le Pen's showing is that the social inequalities outside the place of employment--the poor living conditions in the cities--have now become a source of protests, even of rebellion, against the government....

And, finally, the schools--there have been initiatives, especially the priority education areas, but the persistence of setbacks in schooling matters and the resistance of a part of the education establishment to reform, to decentralization and to greater teacher autonomy does not convey to the general population the impression that the inequalities in education are diminishing.

#### The Communists Hardly Influenced the Overall Direction of Policy

[Question] Will this timidity on the government's part in combatting inequalities not be accentuated as a result of the Communists' leaving?

[Answer] Even if the Communist ministers have been active in their respective sectors, I do not really think that their departure will directly affect government policy. The Communists existed as an auxiliary force within the preceding governments. This role was painful for them. They hardly influenced the overall direction of policy.

They may have thought that, here or there, their presence would lead to a kind of self-criticism on the Socialists' part regarding such and such a proposal that they knew would particularly annoy the Communists. I am thinking, for example, of individual freedoms--that subject rightly so vital to the trade union movement and so dear to the Left--and of the weakness of the initial Socialist reaction to Jaruzelski's seizure of power.

If the CFDT had not been there, probably the forces of the Left would not have appeared in the lead in the fight on the side of the Poles and Solidarity. That being said, however, the Communist influence has not been a direct determining factor.

I think that their departure likewise will not have a direct effect. Of course, the Communist militants can now take a posture of opposition in the social field and this can play a role in trade union affairs. But in June the Communists represented only 10 percent of the electorate. The possible consequences must be considered relatively. They may be more visible, more spectacular, in a given sector--especially if the action taken aims at showing that the Communists still exist--but we are no longer in an era in which economic and social life could be profoundly affected by them.

#### The CNPF is Fighting Yesterday's Battles

[Question] How do you judge the strategy employed by the CNPF [French National Employers Council] and its proposal to create 471,000 new jobs provided the constraints on industry are reduced?

Truly modern industrial leaders would seize every opportunity to ensure that the wage-earners are at the center of our country's economic recovery. Unfortunately, the majority of the CNPF is fighting yesterday's battles and can envisage an improvement in business's situation only if it is linked to deterioration of the wage-earners' position and especially of their working conditions.

When the CNPF talks about flexibility, it intends above all to put in jeopardy the collective guarantees acquired through a century of trade union action. We are in favor of the maximum flexibility possible but, in our opinion, flexibility with respect to production or services ought to be, first of all, flexibility in the organization of work and of techniques. It presupposes a training effort that would make professional mobility for wage earners possible. I am sure that a significant part of the business leaders and even of employers' organizations share this idea and are not in agreement with the retrogressive attitude expressed by the CNPF. And, as Laurent Fabius has said, it would be unfortunate if the government were to undertake commitments in this regard contrary to the interests not only of the trade unions but also of that part of the business leadership that is able to see farther than the end of their noses.

[Question] Do you think that the strike by German metal workers will help you in your action to secure a reduction in the length of the work week?

[Answer] The German metal workers' advance is a success because they had to face the rejection of the proposal in principle by the German employers, who, backed by all the European employers, had declared that they would not move an inch. It is a limited success but a success nevertheless. To be realistic and pragmatic, it is impossible to conceive of a European trade union movement that goes forward everywhere at the same pace. The Belgians first took action to secure a reduction in the work week, then, in succession, the French and the Germans. There has been a kind of emulation, encouragement and progress that have more or less converged.

Similarly, ideas aiming at a general and uniform reduction of the work week must give ground before more diversified methods that would adapt the scope and rhythm of the reduction to specific circumstances, to the particularities of given branches of industry and individual businesses. Because the central problem is that of creating jobs while maintaining and improving the ability to compete. The solution does not depend in the first instance on the amount of wages paid--even though we will discuss this subject also--but on changes in the organization of work. Progress is possible everywhere but will vary from one branch of industry to another, from one business to another.

[Question] But, for the moment, neither the employers nor the government is showing much interest.

[Answer] Yes, but for us the number one subject for September, not only in our discussions with the CNPF but also in preparing for the obligatory annual collective bargaining with industry, is improvement in working conditions and reduction in the work week. We will do our utmost to secure the reopening of discussions. We hope that they will take place by branch of industry within a coordinated framework but we will also talk with individual businesses.



## JOXE CABINET APPOINTMENTS INCLUDE GENDARMERIE CHIEF

Paris LIBERATION in French 23 Aug 84 p 4

/Article by Veronique Brocarl: "A Very Private Joxe Cabinet"/

/Text/ The new minister of the interior has taken his time appointing those who will surround him. Many new faces, chosen for their "technical solidity." And an appointment that might cause some gnashing of teeth among the police: that of Charles Barbeau, until now director of the gendarmerie.

Caution and distrust: these seem to be the watchwords of Pierre Joxe, the new and discreet minister of the interior. Apparently not very fond of forced marches, he has preferred to adopt the step of a dancer: very much of tiptoe, treating himself to the luxury of taking his time. Thus he took a month to set up his cabinet. "That is," they say in Beauvau Square, "he wanted to see a lot of people, to listen, then he made his choice."

A long string of very different people have made a success of this end of the year exam. We find, in a jumble, in the organization chart published yesterday, prefects, policemen, journalists, a gendarme, a fireman and higher civil servants, with "technical solidity" as the common denominator. "This cabinet is meant to be efficient," they say at the Ministry of the Interior, suddenly dusted free from all the old barons, star performers and pillars of successive cabinets (like Claude Bussiere, appointed commissioner of the republic of Midi-Pyrenees). The only official to escape the trap: Francois Roussely. In charge of decentralization under Defferre, he retains his post as assistant principal private secretary. Continuity amid a good deal of change.

The rest of the troop consists of Jean-Marie Cassirou, commissioner of the republic, as principal private secretary; Guy Perimond, former editor in chief of UNITE, the PS /Socialist Party/ weekly, as "technical adviser in charge of information and public relations."

The boss's surprise remains the appointment of Charles Barbeau, until now director general of the gendarmerie, as "official representative

to the minister." Even if we point out that this counsel to the Council of State was director of regulations, that he spent another 5 years with the International Labor Office (ILO), this choice will set tongues wagging in police circles, which are of tickling sensitivity. The turn of phrase will obviously not fail to be stressed: a gendarme among the cops, strange, indeed unpleasant.

Barbeau's mission, a genuine internal audit of one of the most massive structures of the state, is not one of childish simplicity. This high official will quite plainly have to draw up an inventory of the premises, make an assessment of the structural disfunctioning of this ministry, both in Paris and in the provinces. Supported by this official report, he will then have to propose administrative and structural reforms. In view of the extent of the task, Charles Barbeau has already begun to work, moving, as of yesterday, into the former office of the State Secretariat for Public Security, unoccupied since the disappearance of this ministry.

Beauvau Square, we obviously will not fail to stress the importance of this mission, "on which the fate of Interior will depend during the next 15 years," but we also insist on specifying its limits: "It will be concerned with the technical, not the political. It will have no effect on cabinet activities and decisions to be made."

In this field, Pierre Joxe has here again chosen to be silent. Before publicly embarking on the slightest political analysis, the minister of the interior prefers, for the time being, to consult with all the police associations. He will have finished by the end of August and then, it is announced, he may speak to the press. One who wants to transform Interior into a ministry "that is no longer one of silence but one that speaks to the French," will certainly not do so in a thundering fashion. No sensational statements capable of making the media salivate, but concise communiques full of sense.

To read the only two speeches written, including the one delivered at the funeral of a policeman killed in service, we can already understand that Pierre Joxe will not compromise on the police code of ethics and that he will remind civil servants of their duty. It is a first indication. A meager one.

#### The Faces in Beauvau Square

Jean-Marie Gossirou, appointed prefect seconded to become principal private secretary in the Ministry of the Interior and Decentralization, was formerly commissioner of the republic in the department of Meurthe-et-Moselle. Born on 22 January 1930 in Larches (Correze), holder of diplomas from the law faculty, the national school of oriental languages and the national school for overseas France, he held various posts related to the countries of the African community

and cooperation before being assigned to the Ministry of the Interior in 1967. He held posts as subprefect and prefect in the Rhone (1970), Fougères (1971), the Haute-Vienne (1974), Mayotte (1976) and the Gers (1978).

Jean-François Roussely, assistant principal private secretary to the minister of the interior and decentralization, is a close associate of Gaston Defferre, also having been his assistant principal private secretary. At the age of 39, Mr Roussely, referendary adviser to the Revenue Court, was appointed auditor to the Revenue Court on his departure from the ENA /National School of Administration/ in 1978. Appointed technical adviser in Mr Defferre's cabinet in June 1982, he was its assistant director in charge of decentralization since April 1984.

Guy Perrimond, technical adviser in charge of information and public relations in the cabinet of the minister of the interior and decentralization, is a former journalist. Born in 1935, Mr Perrimond began his career at LA MARSEILLAISE in 1967, before working, among others, at POLITIQUE AUJOURD'HUI and POLITIQUE HEBDO. Joining UNITE in 1972, he became its editor in chief in 1979. Mr Perrimond left the socialist daily to join UNESCO last September as a public information consultant.

#### A New Director for the Gendarmerie

Olivier Renard-Payen, magistrate and technical adviser in the cabinet of Charles Hernu, the defense minister, was appointed director general of the national gendarmerie on Wednesday in the Council of Ministers. Born on 26 February 1936 in Amiens of a father who was also a magistrate, Mr Renard-Payen studied at the Rennes and Paris law faculties. A doctor of laws, he also holds a diploma in advanced studies in public law, political science, Roman law and the history of law. Assistant lecturer in the law faculty in Rabat (Morocco--1958), where he prepared a study on "The Moroccan Experience in Jurisdictional Unity and Dispute Separation," Mr Renard-Payen was later part-time lecturer in the Rennes law faculty (1962). A judge in the high court in Metz (1967), Strasbourg (1968), and magistrate in the central administration (Department of Legal Services) of the Ministry of Justice (1972), he became at the age of 39 one of the youngest referendary advisers to the Court of Cassation (1975). Appointed vice president to the high court in Paris in 1981, on 27 May he joined the defense minister's cabinet as technical adviser in charge of administrative, judicial and juridical matters. As such, he thus kept up with all the problems of the gendarmerie since that date and was also associated with the preparation of the various judicial reform bills (in particular, concerning the permanent courts of the armed forces).

9434

CSO: 3519/480

## BRETONS DEMONSTRATE AGAINST MUNITIONS DEPOT EXPANSION

Paris LIBERATION in French 23 Aug 84 p 12

[Article by Loic Chatel]

[Text] Rennes (Correspondence)--"The army spoke of 200 tons of explosives. Now we have been presented with the final plan and we find that there will be 708 tons. That affair is starting to seriously turn sour." The atmosphere was explosive in Beignon (Morbihan) on Tuesday morning. The public inquiry into the proposed expansion of the Saint-Cyr-Coetquidan Military Camp's munitions depot was opened in the mayor's office.

Finding themselves too confined within their 5,300 hectares, military officers have decided to enlarge their explosives depot by indirectly encroaching on civilian property. This project includes the construction of 12 "igloos" containing 2,800 tons of munitions, which includes 708 tons of explosives, and the creation of a "polygon of security" extending beyond three small villages subordinate to Beignon. The result (should the outcome of the inquiry be positive): the 60 people directly involved would be able to obtain building permits only with the approval of military authorities and the height of the buildings would be strictly regulated. Thus these constraints, combined with the prejudice represented by the proximity of this huge powder magazine, have caused the commune's 650 inhabitants, most of whom are retired, to reject the plan. And Beignon, which had been divided over a grocery dispute that was settled by a referendum in early July, is again united to thwart what is now called the "polygon of insecurity."

Jacqueline Denieul, who lives right in the middle of the famous polygon, explains: "I already hear the constant barking from the military kennels located behind my house and I have enough trouble getting to sleep without putting up with the presence of a munitions depot."

With a cigarette holder in his mouth, Andre Delahousse, vice chairman of the Defense Committee, was even more explicit: "The army has only to stay where it is. Let it install its depot 800 meters farther away. But the military officers are stubborn. You would think that they are an army of occupation. This inquiry is a circus." This 70-year-old former sales representative could not find words harsh enough, but behind the large journal used for recording the observations of the public, the administrative investigator sent from Vannes, as required by the inquiry, pretended not to hear....

After 72 years of peaceful coexistence with the Saint-Cyr Camp, is Beignon the victim of a sudden eruption of antimilitarism? Of course not! This is even the committee's obsessive fear.... "We only want the project to be moved a little farther away. Let's not get everything confused," Mr Delahousse assured, himself chairman of the local Veterans Association. This view is not totally shared by 71-year-old Pierre Bridier, a local historian and "Breton militant": "Since 1911, the army has destroyed three chapels within the commune's territory, has torn down wayside crosses to pave roads and has stolen megaliths as souvenirs. They have swallowed up ground. Today, this is a new stage."

This inquiry, which is still causing a stir in Beignon, will end on 20 September. The Third Military Region will then respond to residents' comments before the decision is made public by the prefect. But whatever happens, Beignon's retired inhabitants will not simply give up: "We are people who are capable of going very far," Andre Delahousse warned.

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CSO: 3519/485

## BRIEFS

YOUNG COMMUNISTS, WOMEN TO NICARAGUA—A second group of young Frenchmen left Paris yesterday for Managua. They are part of the 120 young men and women who have responded to the Young Communist Movement's appeal. Their objective is to build, thanks to funds collected in France, a school in Nicaragua that will bear the name of Louis Aragon. Members of the July brigade are responsible for laying the foundations. Those who relieve them will raise the walls. The school will be finished next October. In July Communist women from France went to work in Nicaragua. "in the name of the whole rural community," Don Amado, the president of the Casablanca Cooperative, entrusted them with this message addressed "to the people of France and the French Communist Party" "I express our gratitude for the material solidarity contributed by these Communist women in Nicaragua and for the work they have performed. I also want to emphasize how much we have appreciated our political discussions. We feel that this cooperation is very important. We greatly appreciate those who come to our country with your intentions." [Text] [Paris L'HUMANITE in French 14 Aug 84 p 4] 11466

CSO: 3519/470

## BILL REPORTEDLY AIMS AT NUCLEAR RESEARCH CAPABILITY DESTRUCTION

Athens I KATHIMERINI in Greek 26-27 Aug 84 p 2

/Unsigned editorial: "Requiem for Research..."; words enclosed in slantlines printed in all caps/

/Text/ /A bill/ on research that had been hatched by the Liannis "group" since last year was put before the summer Chamber of Deputies on Thursday. With this bill all that had been created in our country over the past 20 years with labor and dogged heroism will be lost; a research base, a base that aimed at making Greece (perhaps dangerous for some) scientifically and research-wise --also academically-- self-sufficient.

/With this bill/ that was presented the first research center of the country, the "Dimokritos" nuclear research center, is in essence abolished. And, of course, the smaller scientific centers are also harassed. It was their fate to follow the fate of the big goal of a methodical destructive campaign, a campaign that began with official intra-Greek and international slander, disgrace and disparagement of the hated giant, namely "Dimokritos," (see I KATHIMERINI's main article "The Giant and the Dwarves," April 1983) and that is now ending up in the Chamber of Deputies of the Greeks.

Characteristically, in answer to a question in connection with the intermediate provisions of the bill we heard this sarcastic maxim: "The entire bill is an intermediate provision for Dimokritos."

/Over the past/ 2 years, we have been seeing the systematic diligent weakening, impairment and steady destruction of "Dimokritos" and we hear the protests from all its scientists as well as from scientists of other research centers.

/Conclusion/: This is perhaps the only bill, recommended by the Greek state, that does not have one supporter among the citizens most concerned: Greek research workers. Except, of course, the chosen administrations.

For whom then is it being done? For what reason is the research spinal column of the country being broken? What interests does it serve? When the scientific staff of the country is dissolved what remains for the great decisions being touted for research, for tomorrow's technological /know how/ for Greece?

Question: Is the prime minister of the country knowledgeable on the matter?  
Responsibly knowledgeable?

## CENTER PARTY'S ROLE AFTER NEXT ELECTION VIEWED

Oslo ARBEIDERBLADET in Norwegian 21 Aug 84 p 4

[Editorial: "Don't Know Whither"]

[Text] The Center Party [SP] is now experiencing a dramatic development, because it is taking place at the border of the party's existence as a Storting party. The last opinion poll puts SP at 5.3 percent in voter support--a good distance behind both the Socialist-Left Party [SV] and the Progressive Party [FRP]. In other words SP can not tolerate many more losses. Party strategists obviously have no unified opinion about how the party is going to manage to reverse this development. Therefore there will be much vacillating and wavering on both policy and strategy.

In recent days we have seen examples of dualism in SP on several occasions. Most recently it was the party's vice chairman, Anne Enger Lahnstein, who previously had the job of being the one in the SP leadership who pleaded the party's case, frequently in opposition to government policies. Now it is clear that she has redefined her political role. In an interview with VERDENS GANG, Enger Lahnstein said that she has concluded that there is too much talk of difficulties in cooperation between the government parties. Now it is time to behave much more responsibly in government. She believes that party designations have little value in themselves.

The SP vice chairman's statement was somewhat destroyed by a statement later in the interview in which she said that "we must define the party better," but mainly the new tone was well received both by SP chairman Johan J. Jakobsen in his office in the Ministry of Transport and Communications, and by the leader of the Conservative Party Kare Willoch in his prime minister's office. On the other hand we anxiously await whether the signals from Enger Lahnstein will also be taken up by the party's parliamentary leader, Johan Buttedahl, who has said that SP has been too nice both in the government and outside, and by the party organ NATIONEN which yesterday wrote that "cooperation will be impossible to maintain if the price is that the individual parties must renounce their identity."

As to political issues, Anne Enger Lahnstein does not deny that she fears that SP's key issues will get rough treatment when the government presents



its budget in the fall. But in accordance with her new cooperative spirit, she adds that she expects that there will be solutions with which all government parties can be satisfied.

We return again to SP's main organ NATIONEN, which no longer trusts the results of the government's work, but now strongly urges that the next year's national budget must be characterized by clearer political district profiles. When it comes to tax policies, the paper believes that it is more important to improve municipal economies and to increase investments in the health sector than to give personal tax reductions.

The main political problem for SP is that important parts of the party's policies can not be carried out by a Conservative-dominated government. The identity of the party--that which gives SP justification for its existence--is slowly but surely being erased. The party is thereby becoming less and less interesting for the voters. To believe that the problems which Conservative cooperation has created can be solved by more intimate and critical cooperation is obviously an illusion.

9287

CSO: 3639/155

## GROUP OF YOUNG LEADERS ADVANCES AT CONSERVATIVES' CONGRESS

Oslo ARBEIDERBLADET in Norwegian 23 Aug 84 p 6

[Article by Tone B. Jamholt: "Young Activists Take Over Conservative Party"]

[Text] "I do not need to read the history of the Conservative Party, I have experienced it in my lifetime." That statement was made by a 75-year-old railroad worker. Nevertheless, on Wednesday we were presented with a 1200-page history of the Conservative Party. A history which consisted, among other things, of crises of leadership. At the congress last week-end the problem was turned around: Now young recruits are standing in line to take over. That must be pleasant for those celebrating the anniversary.

In 1945 C. J. Hambro was worried about the party. He thought there was an "unfortunate lack of recruits, and if I had to take over control of the party again I could not do it without getting young and new members in."

#### Mediocrity

The leadership problem was also of concern following the congress of 1958. John Lyng was proposed as a motion from the floor, but lost against Alv Kjos. The young Lars Roar Langslet wrote to Hambro, "We who are younger in the party believe that it is mediocrity, the honest, solid incorruptible mediocrity which has taken control of the party. If we look around we see the same gray, trivial, solid work, the same honest lack of imagination."

In 1984 the new type of leadership was ready to take over. Norvik will probably only be a short interlude. There are many recruits, and the leadership of the party is clearly confronting a distinct change of generations. The postwar Conservatives now have a foothold in the primary organs of the party.

#### Four Activists

The breeding ground of the four principal activists is the Conservative Youth Organization. Kaci Kullmann Five comes from there, and was recently the obvious choice for vice chairman. No longer can a political party

appear before the voters without a woman in the leadership. Kullmann Five can hardly go to the top of the party, but she has important tasks to perform as vice chairman.

There will be a conflict over the second vice chairman. The conflict will be between Arne Skauge and Wenche Frogn Saelleg. Skauge will probably draw the longer straw, and be named Norvik's successor. That is the wish of both Kare Willoch and Norvik.

Per Kristian Foss is also typical leadership material in the Conservative Party, but is on the defensive in relation to other candidates. One who stands well in the race is Terje Osmundsen. This is the 27-year-old whom Willoch handpicked for the important job of leading the work on the government's long term program. Osmundsen is hardly interested in a seat in the Storting, he would rather be involved in business. But within the Conservative Party he will have significant influence.

9287

CSO: 3639/155

## ERLING NORVIK PROFILED ON RETURN AS CONSERVATIVES' CHAIRMAN

Oslo AFTENPOSTEN in Norwegian 25 Aug 84 p 7

[Article by Alf Seeland]

[Text] The Conservative Party organization wants "its man" as leader. That is why Erling Norvik will be chosen by acclamation tomorrow. Only Emil Stang and C. J. Hambro have previously made a comeback after a pause. The Conservative Party--which the historians themselves call the "anti-party party"--will embrace with open arms the most organizationally-oriented politician in several generations. This is happening at a time when the party has a self-assured apparatus and needs more balance in relation to government members and the Storting group.

Norvik has been gradually accumulating experience, not only from Lovebakken but also in the government office building. After 2 1/2 years as Prime Minister Kare Willoch's press spokesman he came to the conclusion that he liked working in the party better--and that is probably where he gets along best. From the party's county secretariat in Finnmark southward there was an outcry in February for "Erling." The permanent secretary responded positively and Jo Benkow abdicated graciously.

The incoming chairman had the following explanation of what happened so swiftly: "I was struck by the massive appeals from county groups and individuals and I confronted a clearly stated need for the party to have 'its own man' as leader. As far as I am aware no one said they wanted to get rid of the present chairman. But they felt that the thousands of flowers in the party could bloom better if they had a leader who could devote himself to working for the party full-time and not be encumbered with other tasks on the side. I have always held that view of party work," said Norvik who recalled that he ran against Kare Willoch in the election at the 1970 national congress.

The new Conservative chairman spoke warmly of the "increased standing the organization has in the concern." Throughout most of the party's history

the Storting group has been its "brains, heart and soul." The extensive revision of the party's bylaws in 1969-70 smoothed the way for more balance among party organs and Erling Norvik has no doubt that the combination of a general Conservative trend and the buildup of the organization led to the strong position the party has today.

It was in the "apparatus" that Norvik began his career as county secretary in the Finnmark Conservative Party organization. There he learned something that is still his trademark--to be available and to be able to talk in everyday language with as many people as possible. With his powers of persuasion he made sizable inroads into the Labor voter bloc in Finnmark when he ran for the 1961 Storting election and later, between two elections, he established the only nonsocialist seat in the county.

An unusual grasp of party work made Norvik a natural choice when the Conservatives needed a new general secretary in 1971 as a preliminary to the EC conflict. The year before he had fired up a strong minority at the congress in support of his candidacy for the chairmanship in a contest with Kare Willoch himself. In contrast to what one sees in some other parties this led to a lasting cooperation and friendship between the two, which was apparent to everyone in 1971 when the new prime minister wanted Norvik to head the state secretariat.

In 1974 Kare Willoch came to the conclusion that it was difficult to combine the posts of parliamentary leader and chairman from the point of view of the work load. Erling Norvik rose to the top position by acclamation. For 6 years he drove himself unsparingly and inspired and utilized a Conservative wave the like of which the country had not experienced in modern times. However in 1980 he was burned out and regained his strength with SORVARANGER AVIS while his successor, Jo Benkow, pushed party support a few percentage points higher.

He said concerning his special style: "If I had been able to structure my working day the way Kare Willoch does I would have been able to get more done. But then of course I would not have been Erling Norvik. It would have been contrary to my nature and I am convinced that the most important thing for a politician is to be himself.

"If we in society could come to the point where we look more at results and less at the way people dress, whether they work at all hours and how things are done, a great deal would be gained. I am a little anxious about personification in politics and I am afraid this will get even worse before the pendulum swings back," said Norvik, despite the fact that it is precisely personal identification in the Conservative Party that has brought both him and the party into prominence in terms of voter awareness.

What is it he wants to do since he so quickly and actively saw to it that the Conservative Party will change chairmen tomorrow? To this he replied:

"I am concerned that the Conservative Party should be a united movement that continues to place a high priority on the party's position. The party

organization should also produce policy, although work in the other two centers--the government and the Storting group--cannot simply be a carbon copy of the Conservative Party program. My biggest job as chairman will be to help guarantee that there is still a Willoch government after next year's Storting election.

"In recent years I have constantly reminded myself of Haakon Lie's comment after the 1981 election: 'We were beaten by the Conservatives on our own home ground!'" And Norvik added laconically: "I see little of the infectious enthusiasm in the party that we had then."

Some have asked themselves if it is a nostalgia going back to the opposition years when "Erling" was in charge that is now haunting the Conservatives and that led to the grass roots "catching fire" in February. The middle parties were quick to warn the Conservatives not to give the party chairman a "free hand" in relation to the coalition. And those who have not been entirely satisfied with the government's information work asked what Norvik could do as chairman that he failed to do in the office of the prime minister.

Norvik himself dismissed all speculation about profiling the Conservative Party in the future at the expense of the cooperation among the three government parties. "The Willoch government stands and falls on all three parties together consolidating their position," he stressed. "At the moment the prospects are not bright, according to opinion polls.

"I view availability as being my trademark in a way. I will not be 'living out of a suitcase' to the same extent as the last time I was chairman, but I will travel as much as possible and there will be open channels to the chairman's office. Of course I am aware that I am 10 years older than I was the first time I was elected and that I can no longer push myself so hard, but I still feel best when I can get other people to talk to me," he said.

Is it "votegetter" Norvik who is now taking over the election machinery of a party that according to some members of the Christian People's Party has a relaxed attitude toward ethical values?

"I have earlier used the expression 'ideology that is in touch with the ground' as an illustration of my conservatism. It is a poor kind of tolerance that depicts certain people and parties as more 'ethical' than others. The practical problems the Conservative Party is working to solve do have a 'down to earth' framework, of course. One example of this is that the technology program the congress is taking up today is based on the report of the Inge Lonning committee concerning human value and human conservation."

What will the new chairman's first working day look like?

"On Monday at 8:30 am the newly-elected working committee will meet. There we will distribute the major tasks and discuss future work. That evening I will address the council of the Oslo Conservative Party," concluded the new chairman, Erling Norvik.

## BRIEFS

LIBERALS PROMISE LABOR SUPPORT--A Liberal Party committee under the leadership of Hans Hammond Rossbach has concluded that in this election the Liberal Party will support the Labor Party as the government alternative. We are obviously pleased with this conclusion. The committee concluded that it is politically impossible for the Liberal Party to support a Conservative-dominated government, and that the middle alternative is unrealistic, and besides there are not many other possibilities. We believe that it is an advantage for the Liberal Party that the party now chooses to stand up with a clear statement on the government question before the election. As is known, the party has not always behaved that clearly. Nor has it chosen its side that sensibly. [Editorial] [Text] [Oslo ARBEIDERBLADET in Norwegian 23 Aug 84 p 4] 9287

CSO: 3639/155

## SOARES' POLITICAL FUTURE REPORTEDLY ENDANGERED

Lisbon DIARIO DE NOTICIAS in Portuguese 25 Aug 84 p 2

[Article by Dinis de Abreu: "Soarism"]

[Excerpt] In recent days, there are succeeding indications that we are reaching the formal preliminaries of a political season that will be both intense and fertile in events that are impossible to predict. Within the opposition, the CDS [Social Democratic Center Party] is experiencing some complications, and the PCP [Portuguese Communist Party] is awaiting a definition of the "Eanist" party. It is apparent that the centrists would like to support a military candidate who would also appeal to the PSD [Social Democratic Party], even if there are some who would prefer a civilian candidate; moreover, there is no doubt that the PCP will definitely support, openly or discreetly, the candidacy of an Eanes "heir."

Within the coalition, Fernando Condesso hinted at a common candidate with the PS [Socialist Party]...as long as it would not be Soares. A few months ago, Eduardo Pereira was declaring that since Soares was the candidate enjoying PSD support, the socialists could cede the leadership of the government to the social-democrats. As for Almeida Santos the optimist, he was maintaining that the prospect of a properly PSD candidate--still another hypothesis--would not necessarily be the "actual death sentence of the present coalition."

The decks are many, and some are stacked.

Meanwhile, it is in Mario Soares' interest to wait and see. To wait, first of all, for the transformation into a party of the "Eanist" movement which, according to Melo Antunes' statement to the Catholic newspaper TEMOIGNAGE CHRETIEN, must "occupy the political space of the Socialist Party and of a large constituency of the Social Democratic Party."

Melo Antunes' statement (Eanes' counselor and now considered one of the movement's ideologues) is rather curious, especially when he proposes that "Eanists" should join forces with "small parties such as the UEDS [Union of the Democratic Socialist Left], the ASDI [Independent Social Democratic Association] and the MAD [Movement for the Deepening of Democracy]."



This "invitation" is rather ironic for each one of these small parties, but for different reasons. However, it undoubtedly tends to reinforce the importance of the UEDS and the ASDI in any negotiations, since they were both, until now, condemned to lose themselves into the PS if they wished to survive.

Within the next few months, Soares will need excellent intuition in order to successfully face the challenges that are beginning to appear on the horizon: secure the coalition, resolve internal schisms within the PS, resist the "Eanist" offensive, confront the increasing opposition of the PCP and the CDS and, moreover, govern the country--if he will still be in government--and prepare his candidacy, provided that the wear-and-tear he is suffering does not convince him to change his mind.

At any rate, something will change in Portuguese politics. As concerns Soares, the countdown to the presidential elections may lead him to Belem--or signal the decline of a charismatic leader. As well as of "Soarism."

CSO: 3542/127

## BRIEFS

FRANCE 'UNHAPPY' WITH AFRICAN PENETRATION--On his way back from Morocco, where he surely went to ask that country's king about the unexpected signature of the treaty uniting it to Libya, Mitterrand made it a point to stop in Lisbon. Strangely enough, the subject of the talks with "son ami" Soares was not revealed. Given that Mitterrand, despite the many affirmations of the intimate ties between the two politicians, probably did not stop in Lisbon just for the pleasure of maintaining some brotherly contacts with Soares, the fact that the motive of his visit was not disclosed gave rise--as was to be expected--to a great deal of speculation. One would have trouble believing that Mitterrand came to Lisbon in order to cry on Soares' shoulder about his North African concerns. Because of the secrecy maintained around the subject of the conversations, it is also not probable that the leader of the French Socialists came to announce to his Portuguese counterpart some interesting modification in French policy regarding cooperation with Mozambique on the eve of Soares' visit to Maputo. As is well-known, the French Government is not well disposed toward the Portuguese "penetration" in Southern Africa. This French position has been and, it seems, continues to be carefully kept under wraps by the Portuguese socialists, whose interests would be negatively affected by problems that cast doubt on "socialist solidarity." So here we are, engulfed in "speculation." With all due respect to the prime minister, he should let the people know what is going on in order to be believed. [Article by 'A.B.C.': "Speculation"] [Excerpts] [Lisbon A TARDE in Portuguese 31 Aug 84 p 8]

OTELO'S IMPRISONMENT RAISES CONTROVERSY--By arresting Otelo Saraiva de Carvalho, judicial authorities chose the most difficult way to handle the "FP-25 affair." Without the 25 April strategist in jail, the entire process would evolve without any great shocks, with the police searching for eventual proof in regard to the other persons detained. With Otelo behind bars, the issue has acquired totally different characteristics, and the government continues to be the target of accusations or insinuations by various quarters. The "FP-25 affair" has, therefore, become a favorite subject of public opinion: it is said that Otelo, by reason of his recent contribution to Portuguese history, is a special person, and cannot thus be treated like any other vague suspect in terrorist incidents. However, there are some who are countering with the old principle, according to which all citizens are equal before the law, and some must not be more equal than others. It is exactly because of this dilemma that the government will have to make a political decision regarding Lt Col Otelo Saraiva de Carvalho's continued imprisonment, especially since, as the EXPRESSO was able to ascertain from sources close to the investigation, judicial authorities believe that he should continue to be held. [Excerpt] [Lisbon EXPRESSO in Portuguese 1 Sep 84 p 16R]

## INTER-EUROPEAN DEFENSE, ARMS COOPERATION, WEU

Paris LE NOUVEL ECONOMISTE in French 18 Jun 84 pp 50-55

[Article by Philippe Gazier and Claude Villeneuve: "A Europe-at-Arms"]

[Text] Seven states, a single defense? European military solidarity is advancing a small step at a time. But it still runs head-on into economic, political and strategic obstacles.

This is anniversaries month. The 40th anniversary of the British-American landing is being celebrated euphorically and clamorously in tandem with a second, somewhat quieter, commemoration, which possibly marks the beginning of an Inter-European Defense.

Europe, which this week appears on the ballots to be voted by 180 million Europeans, has become the watchword of all political messages. The risk of war, buttressed by the bombardments in the Gulf, East-West tension, and the physical presence of several hundred Pershing, Cruise and, above all, SS 20 missiles, has again become concern No. 1 of the Europeans.

After all, if unification is important from the standpoint of producing and selling, then unification for self-defense is perhaps worthwhile. An old idea set forth 35 years ago over the signatures, in Paris, of the six European founders of the "European Defense Community," which fell apart 3 years later, also in Paris, is now undergoing a rebirth in the form of a "joint European defense."

A very concrete rebirth with the launching of the Franco-German combat helicopter program, born officially at Rambouillet on 29 May and godfathered by the defense ministers of the two countries, Messrs Charles Hernu and Manfred Worner. And a quasi diplomatic rebirth with the meeting held in Paris on 12 June and chaired by Claude Cheysson, at which the seven foreign ministers present publicly affirmed their intent to revitalize the WEU [Western European Union], a forgotten postwar organization formed by the Six of Europe together with Great Britain, which has lain dormant in Paris for all of 30 years, but which, according to its terms of reference, is the sole organization among them statutorily qualified to deal with defense matters.

## The Cloakroom

The fact is that in and around military headquarters, arsenals and summit meetings, the signs of convergence are rapidly increasing. But the joint-European-defense movement is less a product of diplomatic intentions than of factors within the triple-walled area of military considerations: Economics, policy and, above all, strategy, meaning, in the latter case, relations with the United States and access by Germany to nuclear weapons...

Nuclear considerations have, for the moment, been left hanging neatly in the cloakroom. And with good reason. The debate on the American nuclear umbrella has been thrown somewhat out of kilter by "smart" weapons, baptized ET's [Emerging Technologies (weapons)], which are capable of striking distant targets with extreme accuracy. And which could stop a Soviet attack without recourse to nuclear weapons. Demonstration: The antimissile missile that has just been tested by the Americans 180 km above ground. It has become the official doctrine of the Atlantic Alliance, under its better-known name: That of its principal advocate, Gen Bernard Rogers, commander in chief of NATO. But the ET's, which substitute electronic accuracy for nuclear power and which could compensate for the imbalance between the NATO and Warsaw Pact forces, have a major drawback: They are costly, and are still, even in the United States itself, at a mere embryonic stage. Mr Daniel Cotter, an American defense expert who has been the incense-bearer of these advanced weapons, estimates they could bolster the defense of the Alliance at a cost of \$10 billion over a period of 10 years. Meanwhile, economic imperatives being prime considerations of the day, it is a matter of producing, together if possible, conventional weapons.

Franco-German teamwork is providing the central driving force. On both sides of the Rhine, the action is the same. Addressing the Bundestag in February 1983, Mr Francois Mitterrand expressed his desire to strengthen the bonds of solidarity between France and Germany. And recently, Mr Hernu pointed out that: "France and Germany enjoy a privileged relationship, a unique one of its kind, under the activity and cooperation treaty signed in the Elysee in January 1963 between General de Gaulle and Chancellor Adenauer."

Twenty years later, the German rapprochement has taken on new vigor. At the most recent bilateral summit meeting, held at Rambouillet on 28 and 29 May, the views of Mr Mitterrand and his guest, Chancellor Helmut Kohl, coincided rather closely, and those of their two defense ministers, Messrs Hernu and Worner (the latter speaks French quite well), did so even more. One month before, they had celebrated together the 25th anniversary of the Institut de Saint-Louis (in Alsace), which is devoted to Franco-German military research. "This called for a great faith in the new course of history, in the definitive nature of the Franco-German reconciliation, in the necessary unity of Europe...." Mr Hernu stressed on that occasion, rendering homage to the founders of that Institute.

Speeches, commemorations, decorations aside, what is the status of these joint projects? "More than a political act, more than a pooling of

resources, cooperation is a far-reaching act of mutual trust," in the view of Mr Emile Blanc, managing director for weaponry. As he sees it, this trust implies an acceptable compromise on technical specifications; a timetable that satisfies the general staffs; a cooperative predisposition among the partners. And lastly, a political good will, which is indispensable but not sufficient in itself if the first three conditions are not priorly met.

#### Concessions

As regards compromise, the helicopter is a case in point. More than 420 units will be built for the two armies, and some 500 to 600 more undoubtedly for third countries. These 4.7-ton helicopters will be built in three versions: One antitank version for each country, and an air support and defense version for the French Army, especially for the FAR [Rapid Action Force], Mr Hernu's darling child. The HAP-HAC--this newest version's French designation (the German one being PH 2)--is the outcome of a number of compromises reached through the work of the joint committee: On the power plant (twin-turbine formula), crew configuration (in tandem, not abreast), timetable (1991-1996), etc. A bilateral agreement was reached following two major French concessions.

MBB [Messerschmitt-Bolkow-Blohm] has been awarded the prime contractorship for the airframe. This firm unquestionably knows how to build rotary-wing craft; the success of its BO 115 light twin-turbines is ample proof. But its potential is only one-fourth that of AEROSPATIALE's [National Industrial Aerospace Company('s)] specialized division, and its experience is less wide-ranging. "MBB will thus be able to enhance its technological potential," it is affirmed. And when a joint project on a tactical transport helicopter to succeed the Puma is undertaken, as it also must be, it will be AEROSPATIALE's turn to provide the prime contractorship. On the other hand, as regards the engine, the Pyrenean firm of Mr Joseph Slydlowski, Turbomeca, has been chosen as the foreman (this is the firm that produces the power plant of virtually every French helicopter). The German firm MTU [expansion unknown] will be its partner. As for equipment and systems, they are to be divided up, with a French preponderance.

Second concession: The choice of night-vision system remains open on the German side. The military on the other side of the Rhine have reserved to themselves the option of choosing between an American system--they are very tempted by the system designed in 1980 by Martin Marietta for a version of the Apache helicopter (built by Hughes)--and European equipment, that is, essentially a French optoelectronic system based on a 1984 technology. The selection is expected to be made this fall as between the SAGEM [Company for General Applications of Electricity and Mechanics] proposals and those of SFIM [Measurement Instruments Production Company].

#### Welcome

Percentage subtleties notwithstanding, the Franco-German helicopter is a welcome arrival to offset the unhappy memories of the combat tank program

that had--it too--been solemnly undertaken in 1980 by Mr Valery Giscard d'Estaing and Chancellor Schmidt and that called for the production of 4,000 units. Two years later, the project sputtered and was blown to bits. The Germans, sure of their know-how, reverted to their Leopard 2, and the French to their AMX 30 in a modernized version. "The problem was inherent from the start, since the FRG [Federal Republic of Germany] would be having to renew its tanks much later than the French Army," explains the DGA [General Directorate for Weaponry] today. "Had the timetables coincided more closely, it would surely have been possible to reach a compromise on specifications and on the dividing up of tasks."

#### Showstoppers

Since then, the "dividing up" has had its good days and its bad. Good ones for the line of Franco-German tactical missiles produced by the Euromissile GIE [economic interest group] (AEROSPATIALE-MBB). Some items of this line, like the Milan, have been export showstoppers. "Cooperation is proving significantly less costly for each of the partners," says Mr Henri Conze, chief engineer for weaponry and deputy director at the DAI [International Affairs Directorate]. The same is true of the Roland all-weather surface-air weapon system, which has proven very effective especially for the short-range defense of air bases, and which has just been adopted by the Americans to equip their bases in Germany. "Had this project been Franco-French," Mr Conze points out, "it would undoubtedly never have been brought to fruition."

It must be acknowledged, however, that cooperation thus far has been limited mainly to the realm of aeronautics. Dropping down to ground level again, it is more rare.

Light weapons, for example. Why can the Europeans not work out among themselves the production of single types? Going, that is, beyond the mere standardization of calibers being sought by NATO, which would at least make for interchangeability of ammunition in the event of a conflict.

"To cooperate, a real interest must be involved," says Mr Conze. The fact is that light weapons, which very many industries in different countries (in the West as well as the East, for that matter) know how to make, involve a much smaller ratio of research and development costs to the total cost of the program--less than 10 percent--than does a military plane, where this ratio can easily attain 25 or even 30 percent. The scale is not the same, and the need to divide up the outlays is therefore much more imperative in the case of the heavier equipment.

And this sharing is manifestly easier to work out between two than among several. Cooperation on weapons has been bilateral as well as multilateral thus far, but not necessarily European.

Bilaterality is again underscored in the basic agreement on military cooperation that has just been signed between France and the Netherlands and that defines the conditions under which the two countries will develop continuing bilateral relations with regard to conventional arms. The French and the Dutch are already working together with the Belgians to produce ships for their navies.

## Power of Attraction

Once a program appears to be well under way, it can exert a power of attraction. Thus, the (EMDG's [Euromissile Dynamic Group('s)]) third-generation antitank AC 3G has attracted vivid interest on the part of Belgium, Spain, Italy, Greece and the Netherlands--to the point where an original formula is being studied that would undoubtedly enable the participants to form a GIE and to empower one among them to represent the group in dealing with the EMDG consortium. "If eight European countries manage to come together on a program, it will be a big first, and there is no doubt that the program involved will become a study model," comments a DGA engineering manager.

Moreover, the possibility cannot be excluded that other countries will want to join the antitank helicopters program. The fact is that the two European builders of helicopters--the Italian Agusta and the British Westland companies--have agreed to collaborate on a naval helicopters program, the EH 101. The first of these companies is preparing to bring out the Mongoose A 129, a light antitank helicopter that completed its maiden flight in 1983. The second is definitely planning on a successor to the Lynx. But Agusta's new general manager, Mr Raffaello Teti, acknowledges that "It would have been better if Italy had undertaken the antitank program as part of a European cooperative venture." And as for the British, Mr Michael Heseltine, the defense minister, who came to Paris last September, had seriously considered participation by his country in the Franco-German helicopter program. The more so since the British Army Air Corps will also be needing combat helicopters by the mid-1990's.

But be it bi-, tri- or multi-lateral, European cooperation has its limits. On the antitank missile for the 1990's, the British are in agreement with the Germans and the French; but as regards the short-range surface-air missiles --the French Crotale, the Franco-German Roland, and the British Rapier--each one is going its own way. This is owing to the acquired momentum, the trench wars among engineers, the absence of structures, and the export stakes. Europe, however, should have its own combat plane: A five-nation program that has taken form in meetings among general staffs and that was announced on 16 December last at the conclusion of a meeting among Germans, British, French, Italians and Spaniards. Military leaders, industrialists, weapons program managers, all concerned are aboard. Including Dassault, which hosted them and took them on a visit of its plants. The five defense ministers of the European combat plane's five joint builders are to meet in Madrid on 9 July. That is the day on which the French Air Force will be receiving its first Mirage 2000's at Dijon. An ill-omened coincidence?

## Clashes

Five builders for a single plane--that's a lot. Seven nations for a single defense plan--is that feasible? Even in its budding stage, a Europe-at-arms is running into an array of economic, political and strategic obstacles.

First obstacle: Competition among the builders. Between concept and plant, there is an intervening wall of general staffs, engineers and industrialists yet to be scaled.

"True cooperation implies a sharing of sensitive technologies," says Mr Michel Allier, head of AEROSPATIALE's Tactical Missiles Division, "bringing together, however, into their development, and at all times, an industrialist from each of the participating countries." As regards the European combat plane, the realization of the unitary program is certainly not something that is going to happen in a hurry. Does France have something to gain or to lose in building a plane with the others? What more will that plane have than the ACX, the demonstration plane that incorporates all the most recent technological advances and that is in the process of preparation by Dassault?

Under the best of assumptions, the domestic market for a successor to the Mirage 2000 would be some 350 planes, including the Naval Air Force's needs: For the first time, the staffs of the Air Force and the Navy are in agreement to issue joint specifications. But has experience to date not shown that the international market is Dassault's best client? The proof: Its score.

Meanwhile, each country is advancing its pawns. BAe [British Aerospace] is also undertaking the development of an experimental plane, the EAP, with the unavowed objective of demonstrating it at the Farnborough Show in September 1986, as Dassault intends to do with its ACX. "We have become the Americans' sole competitors," insists Mr Benno Claude Vallieres, CEO [chief executive officer] of Avions Marcel Dassault-Breguet Aviation. "Our firm has proven its delta-winged canard know-how."

And Dassault has every intention of preserving its leadership. "A prime contractorship is not given; it is earned," Mr Vallieres points out. And earning takes time. A 10-year lead time for a combat plane is not unreasonable. "If cooperation is desired, it must be undertaken very soon," says Mr Jean Martre, present head of AEROSPATIALE, who for 6 years was managing director for weaponry.

Nostalgia? Had cooperation been the order of the day 25 years ago, the course of things would undoubtedly have been different and the F 16, which now dominates this century's market, would certainly not have achieved its penetration of Northern Europe.

#### Aspirations

Would space ventures make up for the lost opportunities in aeronautics? The encouragement comes from on high. The president of the French Republic himself suggested at The Hague, on 7 February, the creation of a European Space Community "to keep step with the military realities of tomorrow." "When Europe becomes capable of launching a manned station into space orbit, enabling it to observe, to transmit and hence to counter any potential threat whatever, it will have taken a giant step toward its own defense." A Europe in the skies, that is. But how can a European space station be financed without abandoning purely national aspirations?

For the present, the French and the Germans are going to work closely together on the joint realization of an observation satellite (France is com-



pleting preliminary work on its SPOT [Earth Observation Probe System]). On the heels of the Franco-German summit meeting at Rambouillet, a joint working party was formed to explore the possibilities of cooperation.

Satellites are less encumbering than human beings. The second obstacle in the path of a joint European defense is a political one. The gnashing and gnawing starts from the ground up. The metalworkers of the CGT [General Confederation of Labor] at Dassault and at SNECMA [National Aircraft Engine Study and Manufacturing Company] have already opened war against the European combat plane project, which would mean, the union heads insist, "a dividing up of the workload involved, that is, a reduction of design teams and specialization of the studies and manufacturing operations." "The constraints involved in cooperation generate excess costs," affirms a study by the Economic Bureau of SNECMA, which has been drawn upon by L'HUMANITE to hammer away against "a European military industry that would be the antechamber of a combined army."

That is one of the problems. The "concept" of defense, as it was defined by General de Gaulle, risks being, one of these days, blown to bits. Not so much by the descendants of Gaullism, who, with Mr Jacques Chirac, have endorsed the idea of a joint European defense. "The Europeans must be made to feel proud they are Europeans. They will not unite solidarily unless they feel defended at their borders," says the leader of RPR [Rally for the Republic], who even states he is in favor of "coordinated military means of intervention." Nor, obviously, by the UDF [French Democratic Union], which, in its little red book "Defendre l'Europe [Defend Europe]," pleads for military solidarity, and suggests the forming of a European Defense Council. "It is absolutely necessary," asserts Mr Jean Lecanuet, "to constitute a second mainstay within the Atlantic Alliance, equal in legal standing and, some day, equal in means." But among the majority, on the other hand, widely divergent views erupt. "We categorically refuse to contemplate any European defense whatever," asserts Mr Louis Baillot, communist deputy, member of the PCF's [French Communist Party('s)] Central Committee, denouncing the risk of "an institutional bleed-off further ahead."

It is in that direction that the third--strategico-diplomatic--obstacle lies. The WEO or NATO, Atlantic Alliance or European Union: What is to be the choice, and how is it to be reconciled?

#### Resurrection

With the resurrection of the WEU and of its "Permanent Committee on Armaments," the watchword now is unquestionably "Europe." "The WEU has the merit of existing," asserts Mr Eric Hintermann, appointed at the instigation of the president of the Republic to head this committee's International Secretariat in 1983. "By uniting their efforts," he says, "the Europeans showed they were capable of realizing the Airbus and the Ariane rocket. There is no reason why they should not do the same tomorrow with regard to the heavy equipment they need for their own defense."

## A Second Mainstay for the Atlantic Alliance

(1) Etat des forces en présence en 1983	(2) Pacte de Varsovie	(3) Sept pays de l'UEO	(4) Ensemble pilier européen de l'Alliance atlantique	(5) Etats-Unis
(6) Effectifs en milliers	<b>4 750</b>	<b>1 880</b>	<b>2 772</b>	<b>2 136</b>
(7) Vecteurs nucléaires	<b>3 713</b>	(1)	(1)	<b>2 158</b>
(8) Têtes nucléaires	<b>10 207</b>	(1)	(1)	<b>9 772</b>
(9) Avions de combat	<b>4 375</b>	<b>2 451</b>	<b>3 433</b>	<b>3 700</b>
(10) Chars de combat	<b>25 490</b>	<b>11 933</b>	<b>15 600</b>	<b>5 000</b>
(11) Navires de guerre	<b>623</b>	<b>298</b>	<b>491</b>	<b>342</b>

(1) 132 vecteurs français de la force stratégique (indépendante) et 64 vecteurs britanniques, intégrés dans l'Otan, une tête chacun.  
(12)

### Key:

1. Status of Forces In Being in 1983.
2. Warsaw Pact.
3. Seven WEU Countries.
4. Atlantic Alliance's Total European Mainstay.
5. United States.
6. Personnel in thousands.
7. Nuclear vehicles.
8. Nuclear warheads.
9. Combat planes.
10. Combat tanks.
11. Naval vessels.
12. 132 French nuclear vehicles pertaining to the French SNF [Strategic Nuclear Force] (independent) and 64 British nuclear vehicles, integrated into NATO, one warhead each.

But any concept whatever of a European defense must be preceded by a redefining of nuclear and American relationships.

If it is true that smart weapons can take over from nuclear deterrence, where will they come from? Will the Europeans be capable of building them in time to replace the weapon systems that are on their last legs, or must they be content to receive them from the United States? In this way remaining dependent on the "umbrella," which would no longer be nuclear but rather technological.

[Boxed insert]:

#### The Pioneers

In the forefront of European military cooperation are the aircraft and missile builders.

The most positive example is undoubtedly the Franco-German tactical missiles program--the Hot and Milan (antitank) and the Roland (surface-air)--carried out under the Euromissile GIE: AEROSPATIALE--essentially a legacy of Nord-Aviation--and MBB. Missiles that have become export "best sellers": 120,000 missiles ordered by 35 countries, added to the 125,000 that have gone into equipping the German and French military forces. On the other hand, no exports whatever of the tripartite Tornado military planes (FRG, Great Britain and Italy), built, that is, without French participation. And a considerable overrun of the initial budget.

Other military plane programs: The Franco-British Jaguar (Breguet Dassault and BAe), a ground-level-attack plane and advanced trainer. Orders: 581 Jaguars, 127 of which for third countries and 499 Alpha-Jets, for 10 countries. Two significantly different Alpha-Jet versions on one side of the Rhine and the other and some initial export problems. Nevertheless, a model in its class in the view of officials and industrialists. And produced within budget, as regards timetable as well.

Product of another "old" Franco-German joint venture, the Transall tactical transport plane was launched in 1958. Only 169 units were built. That is not many, considering that there are three assembly lines: One at Toulouse and two in the FRG. A second production run is in progress.

A joint French and British venture was also begun in February 1957 in the domain of helicopters. Partners: AEROSPATIALE and Westland, the first of these bringing to the partnership the Gazelle and the Puma, and the second the Lynx. A successful cooperation but without a sequel, at least to date (2,151 helicopters ordered, 1,100 of which by third countries).

But the best example of a multilateral cooperation is the Atlantic maritime patrol craft, built by five countries (Germany, France, Italy, Netherlands, Belgium), under the industrial control, at the time, of Mr Henri Ziegler, who was then general manager of Breguet (initial flight in October 1961). Unfortunately, only four countries ordered 90 units of the first version of the

Atlantic, even though it meets NATO specifications. France has decided to order 42 of the new version, which incorporates the latest electronics advances.

At sea, a desert, or almost one: The only joint venture in being concerns the tripartite plastic-hull minesweeper, undertaken by Belgium, France and the Netherlands. The first of these ships are just now going into service, but the program has not yet got off the ground. This notwithstanding: Its promoters assert they have nothing but praise for the way operations have proceeded.

9399

CSO: 3519/440

## MINISTER HOPES PANEL WILL PROMOTE SECURITY POLICY CONSENSUS

Copenhagen BERLINGSKE TIDENDE in Danish 12 Aug 84 p 7

[Text] The Foreign Minister hopes that discussions with S [Social Democratic Party] regarding the revival of broad cooperation with regard to security policy will take place.

The special committee which is to promote security policy consensus in the near future has begun its work, under the direction of Foreign Ministry department head Peter Dyvig.

The BERLINGSKE TIDENDE Sunday edition was informed of this by Foreign Minister Uffe Ellemann-Jensen (Liberal), who hopes that the results of the committee's efforts will serve as a foundation for discussion between the government and the Social Democrats regarding the reestablishment of the broad political cooperation with regard to security policy which has prevailed in the past.

The committee was formed on the basis of a proposal from the Social Democrat's political spokesman Svend Auken, who requested more information for the purposes of debating this issue. The committee will prepare a comprehensive report on Denmark's status with regard to security policy, and this report will be given to negotiators in the national legislature.

The Conservative Party spokesman on foreign affairs, Ole Bernt Henriksen, expressed a clear desire to reestablish cooperation with the Social Democrats in a recent article in the highly-regarded INTERNATIONAL HERALD TRIBUNE, in which he also pointed out that the conditions for the establishment of this cooperation include a greater willingness on the part of the NATO alliance to engage in the East-West dialogue.

Foreign Minister Uffe Ellemann-Jensen reacted to this as follows: "We have stated again and again to our allies that favorable public opinion in the Western European countries--particularly in countries such as Denmark, where there is a highly critical opposition--depends upon our making it clear that NATO is open to the East-West dialogue, and that the United States is open to every possibility of negotiation which might lead to disarmament. "I truly believe that the Americans have shown this willingness."

8954

CSO: 3613/216

## PURCHASES OF ADDITIONAL F-16S BRING DEBATE ON COST

## Twelve New Planes Expected

Copenhagen BERLINGSKE TIDENDE in Danish 12 Aug 84 p 5

[Text] The American Defense Ministry is now prepared to sell \$600 million worth of weapons to a number of NATO allies, including Denmark.

The list of Denmark's purchases includes 12 new F-16 planes, at a total cost of \$210 million, or 2.3 million Danish kroner. The supplier is General Dynamics of Texas.

Denmark will also join six other NATO countries in the purchase of 15,000 Maverick missiles. The Maverick is a so-called "air-to-surface" missile. Houston's Hughes Aircraft Company is responsible for delivery, but the possibility that the recipient countries might be included in production of the missiles and receive compensation business as part of the deal has been discussed.

The American Defense Ministry informs us that the Danish purchases are in accord with prevailing defense agreements, and delivery of the 12 new F-16 planes to Denmark is expected in 1987-89.

## Minister on Price Controversy

Copenhagen BERLINGSKE TIDENDE in Danish 16 Aug 84 p 9

[Article by Hans Engell, Defense Minister (conservative)]

[Text] Articles have appeared in this newspaper concerning the planned purchase of 12 new F-16 planes for the military and their projected cost. This information is based on material from the American Congress.

It should be mentioned that negotiations for the purchase of additional F-16 planes have not yet begun. However, in order to satisfy the terms of our agreement pertaining to payment and delivery, etc, the Air Force Materiel Command has, in accordance with standard procedure, informed the American authorities that such a purchase is planned. The sale of materiel to foreign countries must be approved by the American Congress, which is presented with a "package" of purchase requests at regular intervals.

This procedure has had an obvious effect on the increased level of activity in the purchase movement which has occurred over the last few days. The above-mentioned purchase proposals laid before the Congress are accompanied by maximum price ceilings for each package. These price ceilings are usually set very high, since a new proposal must be approved by the Congress if they are exceeded.

The price specifications are based upon an average price, which is influenced by the fact that purchasers in a number of countries include spare-part and auxiliary equipment requirements which are much more extensive in scope than ours.

In addition, the cost is presumed to include a number of development expenses which are not paid by the countries which were involved in the original development of the aircraft.

Finally, the price also includes a calculated factor based upon predictions of future business trends for the time interval until delivery is completed. It is my belief that the price which is derived in this fashion is not compatible with the Danish planning base, which has naturally been evaluated thoroughly with regard to defense contract negotiations.

8954

CSO: 3613/216

## SDP DEFENSE SPOKESMAN THREATENS TO BLOCK SUB LEASING PLAN

Copenhagen BERLINGSKE TIDENDE in Danish 19 Aug 84 p 8

[Article by Lisbeth Knudsen]

[Text] A larger contribution than anticipated to NATO's infrastructure is causing problems between the government and the Social Democrats about where to get the money from.

Social Democratic defense policy spokesman Knud Damgaard stands firmly behind his proposal to give up the idea of leasing three submarines if Denmark's expenditures on NATO's infrastructure are substantially higher than anticipated in the defense agreement with the government parties.

Defense Minister Hans Engell has said that the agreement to lease the submarines was a compromise to begin with, since the government had originally wanted new subs. He therefore regretted that Knud Damgaard had taken the initiative in rocking an agreement that was only 2 months old.

The reason for the debate among the parties to the defense agreement is the current talks concerning Denmark's contribution to the NATO infrastructure--which includes air ports, bases and other installations in connection with being able to receive troop reinforcements. Denmark's contribution for 1985 was budgeted at 225 million kroner in the defense agreement, but according to the defense minister it could now be as much as 350 million kroner. The precise sum has not yet been determined.

The defense minister has made it clear that the money for Denmark's possibly increased contribution must be found by spring.

Knud Damgaard (Social Democrat) said: "The defense minister has reproached me for suggesting that we review the question of leasing submarines for the purpose of coming up with the money needed for NATO's infrastructure program. The defense minister has said himself that the money to finance this must be found within the Defense Ministry's economic framework. That means the minister cannot find the money without an agreement being reached among those who entered into the defense agreement. I think I am well within my



rights in making a constructive suggestion and of course the minister has the same right. So far, however, the minister has not exercised this right," said Knud Damgaard.

The Social Democrats' reason for considering the abandonment of the plan to lease the submarines, according to Knud Damgaard, is connected with new information that they would be less valuable because of new landing methods developed by the Soviet Union.

6578

CSO: 3613/217

## SISU ANTITANK VEHICLES TO GET SOVIET AT-4 MISSILES

Helsinki HELSINGIN SANOMAT in Finnish 18 Aug 84 pp 3, 4

[Text] The Sisu armored personnel carriers scheduled for delivery to the armed forces by the end of the year will be equipped with Soviet antitank AT-4 missiles. The first 8 of the 50 Sisu transport vehicles, ordered by the armed forces will be equipped with the missiles according to information available as of now.

The Sisu factories in Hamenlinna will produce 9 armored vehicles for the use of Finnish UN troops in Lebanon before the production of the vehicles equipped with missiles begins. The first two Sisu armored vehicles, called Pasi, painted white with the UN emblem, were delivered to the Ministry of Defense on Friday.

The first armored vehicles made in Finland for UN use were christened in Santahamina on Friday: the number one tank was christened "Ensio" after Lieutenant General Ensio Siilasvuo, who has distinguished himself in the service of UN troops, and the number two vehicle was named "Reka" after Colonel Reino Raitasaari, a UN veteran.

The first 9 Sisu troop transport vehicles will be painted white and equipped with large UN emblems instead of being painted with camouflage colors. The Finnish UN battalion in Lebanon will receive 9 of the white Sisu vehicles or Pasis, and one Sisu will remain in Finland for training purposes.

Defense Minister Veikko Pihlajamaki (Center Party) accepted the first vehicles, "Ensio" and "Reka", in Santahamina on Friday. Lieutenant General Ensio Siilasvuo and Colonel Reino Raitasaari, the two well distinguished Finnish UN officers, personally test drove the two vehicles named after them and found no fault with either one.

Lieutenant Colonel Vesa Yrjola, head of the UN office of the Ministry of Defense, predicts that the prestige of the Finnish peacekeeping battalion will rise considerably thanks to the new Sisu vehicles.

"The armored Land-Rovers used by the Finns lack one quality which is important as far as peacekeeping is concerned, namely, an appearance that will command respect," Yrjola said. "Even little boys would throw rocks at them."

The white Sisu tanks look impressive. Being almost three meters wide, over two meters high and weighing 12 tons, Pasi does not exactly tempt rock throwers. Its appearance is that bellicose.

#### Sisu Vehicles Popular

The UN peacekeeping forces are currently utilizing approximately 60 Sisu vehicles, mostly trucks, also called Masi-Sisus. The UN has been using Sisu vehicles with its Finnish and Swedish troops for 11 years, the total number of vehicles reaching about 100 during this time.

Vesa Yrjola tells that winter conditions on the Golan can sometimes be more difficult than in Finland, there is plenty of snow. The Sisu vehicles have gained fame at the Golan by pulling Austrian alpine vehicles and Israeli tanks out of snowdrifts.

It would be easy for Yrjola to earn his living as an ad man for Sisu if his army career came to an end. He laughingly remembers the bitter cable from the Swedish peacekeepers to the Finns: "We've got a Scania stuck in sand, send Sisu to get it out."

Sisu's own ad men do not mention this incident as Scania owns quite a hunk of the Sisu company.

#### Tropical Air Conditioning

The Pasi vehicles to be sent to Lebanon will be equipped like a good tourist bus: good radio equipment and tropical air conditioning are essential.

Unlike the buses, a 12.7 caliber machine gun will be installed on the roof of the vehicle. The UN vehicles have already been outfitted with smoke throwers and flare equipment.

The vehicles going to Lebanon have not been equipped with propeller machinery as they have not felt the need for swimming ability in the mountains. The vehicles staying in Finland will have propellers and the vehicles can move at the speed of ten miles per hour in water.

They are capable of moving at more than 100 kilometers per hour on the road. The vehicles can leave the road and enter rougher terrain without stopping as all wheel drive is on all the time.

The UN vehicles have been equipped with special French tires which are invulnerable to bullets or shrapnel, thanks to their honeycomb construction. In Finland, Nokia is only now developing something of similar nature.

#### Soviet Missiles

Eight of the vehicles to be built this year will stay in Finland. They will be equipped with Soviet AT-4 Spigot antitank missiles, says Engineer Major Lauri

Ojanen from the transport section of the general staff. In Finland, the Soviet missiles have been named "pst [antitank]-missile 82".

There are also plans to use ITOW missiles from the United States, also called "pst-83", in the Sisu vehicles. However, they have not yet been used in training like the Soviet missiles.

The range of the AT-4 missiles is approximately two kilometers and that of the ITOW missiles approximately four kilometers.

In the armed forces of various countries, the TOW (Tube-launched, optically-tracked, wire-guided) missiles have generally been installed on vehicles because of their weight. The AT-3 missiles are easily carried by a 3-man team. A decision was made last year in Finland to purchase the improved version of the TOW missile, the model "Improved TOW" or ITOW.

8200

CSO: 3617/213

## NEW BOOK STRESSES SOVIET MILITARY THREAT TO NORWAY

Oslo AFTENPOSTEN in Norwegian 17 Aug 84 p 11

[Article by Trygve Storvik: "Two Hundred Soviet Missiles Against Norway"]

[Text] The Soviet land forces in the north, in the Leningrad military district, have more than 200 tactical nuclear missiles of the "Frog," "Scud," and "Scaleboard" types directed against targets in Norway and other Nordic countries. The number of nuclear missiles in the Soviet forces farther south, and that can also be used against the Nordic countries, is probably double this amount.

Journalist John Berg is the one who writes this in a book with the title, "Truselen mot Norge -- norsk forsvarsdebatt ved veiskille," ["Threat Against Norway -- Norwegian Defense Debate at the Crossroads"], published by the University Press. For many years Berg has worked with military questions and is well known as a participant in the defense debate.

"Frog," "Scud," and "Scaleboard" are NATO designations for Soviet nuclear combat missiles. They vary somewhat in range, but all of them can reach targets in Norway from Kola. These are nuclear weapons at the disposal of the Soviet land forces. In addition there are nuclear weapons that can be delivered by aircraft and ships.

It is particularly in the chapter, "The Soviets on the North Flank," that Berg describes the Soviet land forces directed against Norway. Instead of counting the number of men and units as one can usually see it done in open sources, he has analysed the Soviet organizational structure. In this way he has attained results and information about Norway's local military situation that is unknown to most people.

The Soviet land forces are organized into divisions, armies, fronts, and operational theaters, Berg writes. On Kola during peacetime only ten kilometers from the border there are more armored vehicles than in all of Norway. These are the 200 tanks of the 45th Motorized Infantry Division in the Pechenga-Murmansk area. Here we also find the North Fleet's 63rd Marine Regiment, which is suspected to have special assignments in Norway, and which is now being expanded.

Farther south on Kola, from Alakurtti at the Finnish border to Kandalaksa at the White Sea, one finds the 54th Motorized Infantry Division. The task of this division is thought to be to move rapidly through north Finland and to attack at Skibotn to divide northern Norway into two parts at Lyngen, Berg writes. But even farther south in the Sortavala area between the Finnish border and Lake Ladoga there is another division. It is in the C category, which means that it can be fully mobilized in three days. But this is in peacetime.

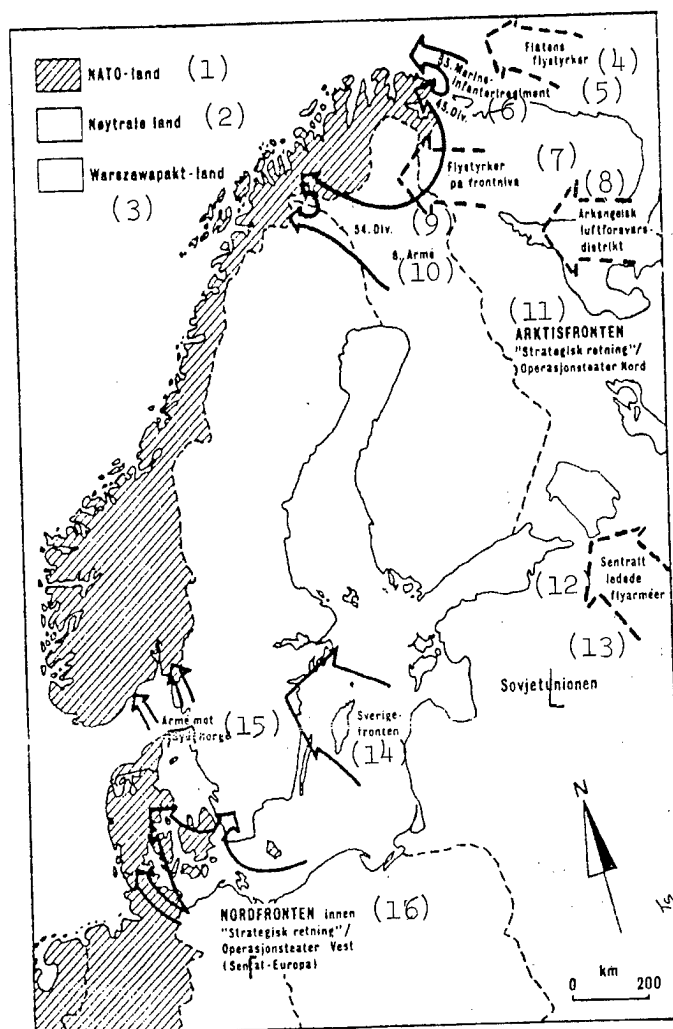
According to Berg, there is reason to assume that these three divisions belong to the Soviet 6th Army with headquarters in Petrosavodsk. An army normally has three divisions, each of which has a series of special sections, but in addition the army commander also has a series of special sections at his disposal. About these sections Berg mentions: an artillery brigade that is close to the Norwegian border in the far north, a brigade with "Scud B" missiles (the "Scud B" is now being replaced with improved nuclear missiles of the SS-23 type), a brigade with SA 4 "Ganef" antiaircraft missiles, a mobile weapons system that plays an important role in the army units' collected antiaircraft defense during attack operations, an airborne battalion for paratroop or helicopter operations, and a helicopter unit for the transportation of mobile infantry.

The next level in the Soviet army organization is the front, which consists of three to five armies. According to Berg, there is an Arctic Front directed against the Scandinavian countries, particularly Norway, in the far north in the Leningrad district. In addition to the 6th Army, Berg says that the Arctic Front consists of the 27th Army Corps with headquarters in Arkhangelsk, and the 30th Army Corps with headquarters in Viborg.

Of special support units that the commanding general for the Arctic Front can use as he needs to support his armies and that according to Berg are in addition to the armies' support units, are, among others, three brigades equipped with nuclear missiles named above, an artillery division, and a heavy artillery brigade as well as a "Ganef" antiaircraft brigade. In addition, there is the 76th Elite Airborne Division with headquarters in Pskov of 7,000 men and 300 combat tanks. On the front level there is also a special brigade for reconnaissance and sabotage. In the fall of 1983 a Russian defector who writes under the pseudonym of Victor Suvorov says that in addition each army has a company of such special troops, but Berg has put a preliminary question mark on this information.

The next organizational level after front is operational theater, Berg says. He thinks that there are two fronts, the Arctic Front and the North Front, in the Western Operational Theater forming a threat against Norway. The North Front, which will have an axis of advance against Denmark and Schleswig-Holstein, will also have targets in southern Norway. Southern Norway's defense problems cannot be considered separately from those of north Germany and Denmark. Berg thinks that the North Front consists of four armies with about 20 divisions and support units.

In the book Berg also discusses air and naval forces and a wealth of other details that cannot be included here.



According to John Berg, the Soviet forces that form a threat to Norway are organized in an Arctic Front and a Northern Front. The Northern Front has an axis of advance against northern Germany and Denmark. (The map comes from John Berg's book.

Key:

1. NATO countries
2. Neutral countries
3. Warsaw Pact countries
4. Fleet air forces
5. 63rd Marine Infantry Regiment
6. 45th Division
7. Air forces at the front level

8. Arkangelsk Antiaircraft District
9. 54th Division
10. 8th Army
11. Arctic Front, "Strategic Direction"/Northern Operational Theater
12. Centrally directed air armies
13. Soviet Union
14. Swedish Front
15. Army against southern Norway
16. Northern Front in "Strategic Direction"/Western Operational Theater  
(Central Europe)

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CSO: 3639/151



## ARMED FORCES PERSONNEL UNION DEMANDS BETTER EQUIPMENT

Oslo AFTENPOSTEN in Norwegian 25 Aug 84 p 10

[Article by Liv Hegna]

[Text] Horten, 24 Aug--Army field exercises today are down to 28 days and that is less than half of what is needed. And some of those days are more like a "visit to the countryside" than real maneuvers. The regulations on working hours prohibit officers from being present in the numbers, at the times and in the manner required by proper maneuvers, according to the chief of defense, General Fredrik Vilhelm Bull-Hansen, at the conclusion of the national conference of defense union representatives. For the first time the soldiers made combat equipment a top-priority demand.

The defense chief told the soldiers' elected deputies, who represent half the personnel in the defense system, that he truly wished the defense system could offer the quality and amount of training that is regarded as necessary. Bull-Hansen deplored the present solution, namely lowering the requirements to make things add up. He also stressed that the demands made of people who must fight with military means in a war against a determined opponent are quite different from those we have become accustomed to making in our materially prosperous society in peacetime.

The defense chief said he wanted a review of the criteria for exempting people from conscription and added that implementation of the criteria also needed to be reviewed. Some of the defection from the military might be connected with this, he said, but he added that if that is not the case then 30 percent of young Norwegian men must suffer from serious physical and mental handicaps. "Then things are bad, not just for the military but for society as well," he said.

Fredrik Bull-Hansen also said that if there had not already been a deputy system in defense he would have invented it. "I am very glad that this year's conference of deputies has presented strong demands, but in order of priority. This shows maturity and I am looking forward to working with the organization in the future," he said. The defense chief said the skepticism that greeted the introduction of the deputy arrangement in 1972 was

justified. The system was politically manipulated. It created a lot of distance and little constructive cooperation on superordinate goals, he said.

General Bull-Hansen also referred to the security situation. "It is a fundamental change that the Soviet Union has moved up as a great military power at sea and that some of the most important bases for the Soviet sea force can be found in our immediate vicinity, at Kola in the north and in the Baltic Sea in the south. And this is not just an episode in history but the fulfillment of a centuries-old Czarist dream," he said, adding that the Soviet Union's priority goal is hardly to attack Norway as a nation: "But it is obvious that the heavy concentrations of military force close to us both to the north and to the south would place us in an exposed position in any East-West conflict," said the defense chief.

#### Soldiers' Demands

The national conference concluded with the adoption by the 120 delegates of soldiers and officers of an action program outlining work to be done. At the top of the list was a call for steps to ease the transition from military to civilian life. The soldiers strongly opposed cuts in the adult education programs offered to defense personnel and demanded that completion of conscription service lead to job seniority and points toward acceptance at all schools. The compensation soldiers receive when they are demobilized should be doubled from the current rate of 2026 kroner.

The program also includes the soldiers' demands for a 40-hour work week for all service branches, increased welfare services in the camps and full utilization of defense capacity in accepting men for basic training and officer training schools. This was meant to combat unemployment among young people.

For the first time the action program also contains demands that involve more than just conditions for soldiers in peacetime. The soldiers' delegates decided to make the demand for better personal equipment in wartime their sixth demand in order of priority on the list for the defense leadership. The soldiers wanted the defense sector to provide emergency stockpiles of modern hand weapons for all who might be called up for wartime service, better sanitary equipment and protective equipment for everyone against atomic, biological and chemical warfare.

The delegates to the soldiers' conference elected three central deputies who will serve with the secretariat of the national committee for defense deputies for a year and will work toward implementation of the demands approved by the soldiers.

The three are Nils M. Aadland from Frekhaug near Bergen, now serving at the KNM [Royal Navy] Harald Harfagre recruit school in Stavanger, Ulf Leinebo from Bergen, who is serving with the infantry's 3rd training division in Steinkjer, and Harry Korslund from Dokka, who is serving with the North Norway Defense Command in Reitan.

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CSO: 3639/153

## OVER 17,000 SOLDIERS TO PARTICIPATE IN FALL EXERCISES

Oslo AFTENPOSTEN in Norwegian 7 Sep 84 p 5

[Article by Liv Hegna]

[Text] A total of 17,000 Norwegian soldiers who will be exercising in North and South Norway will be undertaking the military exercise in the course of the coming weeks. In order for the Norwegian soldier to learn to work together with Allied soldiers, a Canadian company, a British battalion and American armed air forces have been requested to participate in "the fighting." The "Naked Frost" exercise, involving 9,000 soldiers, will start already next week and will practise the transfer of large units of forces by sea. This exercise will be coupled with the tactical practice of the Navy, the "Flotex" practice, which involves nearly 3,000 soldiers.

In October, the last exercise will take place in Norway: Norwegian mobilization forces will be exercising together with a British battalion and American air forces in the Kristiansand area. The exercise has been given the name of "Vipe."

Simultaneously with the exercises in Norway, approximately 23 other Allied exercises will be taking place all over Europe. The largest individual exercise is "Lionheart," which will be taking place in Great Britain and on the Continent in late September and early October. Upwards of 130,000 soldiers, British and other Allied forces, will be participating. This will be the largest exercise led by Great Britain since World War II, and a lot of new British materiel will be tested: Challenger tanks, Saxon-armed personnel vehicles and Tornado aircraft.

During the press day of the European Command on 4 September, General Rogers pointed out that reinforcements to Europe will be a main element: A total of 17,000 American soldiers and 55,000 tons of equipment are now on their way across the Atlantic for deployment in the central section of the European Command.

General Rogers stresses that the purpose of all of this activity is not solely to show that NATO is able to counter an attack, if any, by means of conventional weapons. He states that it is important to point out that none of the

exercises of the fall will involve the simulated use of nuclear weapons. He pointed out at the press conference that the Pershing II missile is not included in the exercise program of the fall.

Greece will not be participating in any of the exercises. Rogers said it in this way: "It would be unfortunate if Turkey and Greece should settle their differences during a NATO exercise."

Incidentally, France will involve considerable naval armed forces in the practices of NATO during the fall. It will be a question of submarines and major battle vessels.

Spain, however, has not yet been included in the program of practices. According to General Rogers, they are awaiting the referendum.

7262

CSO: 3639/157

## BRIEFS

NATO EXERCISES SCHEDULED--For the 10th year in a row, NATO will be carrying through a number of exercises, which will go under the common name of Autumn Forge. A total of 26 exercises, which will involve approximately 250,000 soldiers, will be included in the Autumn Forge exercises. The exercises will take place throughout Europe from Turkey to North Norway. The three Norwegian exercises will be the Bar Frost exercise, which will take place in Troms on 13-28 September, with participation of the brigade in North Norway, in addition the naval exercise Flotex off North Norway on 10-21 September, and the brigade exercise Vipe in Sørlandet on 12-16 October. The purposes of the Autumn Forge exercises are to increase the efficiency of the NATO forces, among other things by practising cooperation among troops from different countries, to increase the rate of emergency preparedness, and to show the cooperation among the Allied forces. [Text] [Oslo AFTENPOSTEN in Norwegian 5 Sep 84 p 3] 7262

ARTILLERY SIGHTS FROM SWEDEN--The Norwegian Armed Forces have entered into an agreement with the Swedish firm of SATT Communication, Inc., for the purchase of new sights equipment for the Bofors guns of the Air Defense Forces. Some radar equipment is also included under the contract, which will be for 200 million kroner. The Norwegian-Swedish deal constitutes part of the agreement on cooperation which was entered into between Norway and Sweden in November of 1983. According to the said agreement, Norway and Sweden will sell defense materiel to each other for up to 7 billion kroner. The managing director of SATT Electronics, Inc., in Norway, Gunnar Altberg-Andresen, is quite pleased with the agreement, which was signed already last July. He points out that the equipment, which will be delivered under the contract, will lead to a more modern air defense and fire-control equipment. [Text] [Oslo AFTENPOSTEN in Norwegian 5 Sep 84 p 60] 7262

SUB SEARCH WITHOUT RESULTS--On Wednesday afternoon the armed forces abandoned a search for an unknown object that was observed Tuesday evening in inner Varanger Fjord in Finnmark. "We made no observations and we had no form of contact either during the night or today. The search has now been concluded without result," Captain Jan Aasto with the Defense Command in North Norway told the NTB press agency. [Text] [Oslo AFTENPOSTEN in Norwegian 23 Aug 84 p 4] 6578

CSO: 3639/153

## STEGER ON TAX REFORM, ENERGY PLANNING, PENSIONS

Vienna INDUSTRIE in German 15 Aug 84 pp 13-16

[Interview with Vice Chancellor and Minister of Trade Dr Norbert Steger by Milan Fruehbauer, BBA: "Hainburg is going to be built at last"]

[Text] Vice Chancellor and Minister of Trade Dr Norbert Steger comments on general economic policy questions but especially on the fate" of the long-awaited energy concept in the following summertime interview. The questions were asked by Milan Fruehbauer, BBA.

INDUSTRIE: Energy policy is undoubtedly at the very center of energy-policy concerns from the viewpoint of industry in the summer of this year. We in industry get the impression that just about every power plant project is currently running into stiff resistance from the various interest groups. At the same time, the political decision-makers by no means transmit the image of a dynamic treatment of outstanding problems. In your opinion, how is the energy policy situation in Austria going to continue?

Steger: Let me first of all take up the timely question. I personally believe that Hainburg will in the end be built after all. It is undoubtedly still necessary to look into important nature preservation and environmental protection questions. This will lead to additional requirements and I assume that this will also lastingly raise the current price for each kilowatt-hour from Hainburg. As things stand now--in other words, according to the requirements that have already been established--each kilowatt-hour from Hainburg will cost between 40 and 43 Groschen whereas other, older power plants on the Danube currently can deliver it at 20-23 Groschen.

The general question however is considerably more significant. There is an increasing aversion among the population against big projects of all kinds. In my opinion this no longer involves individual power plant projects but rather a growing skepticism toward everything that has to do with electric power, with the expansion of electronics, and with the rising energy requirements. The energy industry, but above all the electric power supply enterprises, in my opinion would have to be very careful not to get caught in a deadend street here. After all, in reality nothing more can be built if the construction clients cannot lastingly and convincingly justify the meaningfulness of the project to the public at large.

INDUSTRIE: Perhaps this is due to the fact that Austria is still waiting for a comprehensive energy concept. This sort of thing has been announced again and again but we are far from actually having it. When do you think we will have a comprehensive energy-policy concept for Austria as an industrial country?

Steger: I am trying very hard to make the basis as broad as possible by drafting such a concept. This is why I have involved the social partners in all deliberations. Numerous experts from other institutions and even the Economic Research Institute and the Energy Utilization Agency, were involved in this effort, something which undoubtedly did not make it any easier to make a decision. Moreover, I have issued orders to the effect that a computer model is to be built into this effort; from that model we expect to get specific documentation on actual developments in energy consumption or on the possible supply from existing or as yet to be created energy sources. The actual political discussion is to be started on the basis of these results. A rough draft for an energy concept will be prepared in August of this year. Then we can start the real policy discussion in which connection I would like to point out that all political camps of this country are represented in this study group by experts. I am primarily concerned with the general Austrian mobilization of technical background knowledge on this issue. The political conclusions however certainly may turn out to be different. This discussion between the two coalition partners should start in September and should then also be enriched in October and November through the inclusion of the opposition viewpoint. In this way I want to get to the point as of which the energy-policy discussion in Austria becomes a matter of concern to all political camps. Here are the main points as far as I am concerned: It must at last be stated expressly in the law that it is the primary mission of the energy industry as a whole to help save energy. We can already be grateful to the tremendous efforts made by industry and by private households in having been successful, in recent years, to achieve a noticeable separation between energy consumption and general economic growth. An analysis of the statistics however shows that we must expect growth rates when it comes to electric energy requirements. I presently figure on an average increase rate of 2.6 percent per year as regards future electric power consumption development.

In the electric power industry law--whose amendment has already been ordered--I will therefore, in addition to the saving mission, also specify that the electric power industry is obligated to pay maximum attention to the ecological requirements.

Let me say just one more word about the projects which are now being discussed intensively during the summer months. Here we must in each case visualize the relationships. A power plant with a reservoir in Reichraming-Hintergebirge represents 1/17 of the output of a river power plant in Hainburg. Personally, I am of the opinion that it would be better to build a power plant on the Danube with the Hainburg dimensions before we, so to speak, put 17 times the Reichraming project into the landscape.

INDUSTRIE: In other words, the energy concept so to speak is to be a tripartite plan for energy supply?

Steger: These are my fundamental ideas as to how one should tackle the problem.

Of course, the experts have the floor because, when it comes to the question as to where which power plant is to be built, I would be rather out of my element. But I personally and seriously hope that we will have something like a concentration decision by the end of this discussion, if we want to conduct it in a serious manner. I am very much concerned with making energy policy objective and taking it out of the daily political dispute between the parties to the extent possible.

INDUSTRIE: Do you not get the feeling that these concept considerations are coming somewhat late? To use auto industry lingo: are we not working out a long-term model program whereas the first types should already be coming off the assembly lines?

Steger: You are basically right; there is hardly any economy branch in which the lead times for investments are as long as in the energy industry and where investments or executions of projects influence events so long into the future. If we achieve the tripartite consensus, then an attempt should now be made to draft energy-policy guidelines for a longer period of time.

INDUSTRIE: Did what you have just said also apply to the peaceful use of nuclear energy in Austria?

Steger: I am personally convinced that this Zwentendorf is dead. Not just now but already since 1978, since the plebiscite at that time. There was an albeit very slim majority against Zwentendorf at that time. Those who moved the issue to the level of a plebiscite for all times must bear the consequences concerning the peaceful uses of nuclear energy, that is to say, even the consequence to the effect that there can be no nuclear energy in Austria without another plebiscite. But that also means that each individual power plant must be subjected to a second plebiscite when it comes to using nuclear energy. After all, you cannot say that we are going to vote only on Zwentendorf, while all other projects are to be carried out without consulting the people. But since it does not make sense economically to operate only a single nuclear power plant in a country, I do not believe that atomic technology will attain any significance in that country, unless the general energy-policy conditions all over the world are so changed that the use of nuclear energy becomes absolutely necessary also for quantitative reasons. But I would not like to rule out the possibility that later on, when it is easier to anticipate technological development than has been the case so far, corresponding technologies will also be employed in Austria; here you might think perhaps of nuclear fusion.

INDUSTRIE: What would you do if, for example, there were to be a two-thirds majority in parliament in favor of the repeal of the atomic ban law or in favor of another plebiscite? Would this be a cause for war within the coalition as far as you are concerned?

Steger: On the basis of the coalition agreement it is impossible to have a two-thirds majority in parliament on any issue without previously having arrived at agreement on that issue between both coalition partners. By the way, my personal contacts with leaders of the Austrian People's Party show that one could not expect the opposition in its majority to agree to a repeal of this law.



INDUSTRIE: This, so to speak, is the official party viewpoint. Now, asking you this in your capacity as the responsible energy minister: Are you not worried by the fact that, all around Austria, nuclear energy is already being used to a growing degree in comparable industrial countries?

Steger: In this connection I am only worried by the fact that the technology which we installed in Zwentendorf is already being gradually closed down in the other countries. Most countries are already in the next generation of atomic technology but that is currently not at all under debate in Austria.

INDUSTRIE: But does that not also mean that, if there are new technological developments, one could certainly imagine a reopening of the discussion?

Steger: Look here, I am a lawyer by education; I am not an engineer. I cannot in detail estimate the status of technological development; but, in the presence of new technologies, one would undoubtedly have to revive the discussion at a later date. In that case one would of course also have to arrive at new political decisions.

INDUSTRIE: Does this mean that, when we look at the overall national economic balance sheet, one should simply write off the 9 billion invested for Zwentendorf?

Steger: These billions have already been written off in the general economic balance sheet. Of course, one might also think in terms of making the best of the facilities that have been installed. But in the final analysis the responsibility lies with those who started building before asking the people what they wanted.

INDUSTRIE: Let us get back to another economic question. The big tax reform, which was also announced a year ago by State Secretary Holger Bauer, was called off by agreement among both coalition partners. Now, the basic idea was that this tax reform was to be rather neutral in terms of the 1984 tax yield. Now, here is the specific question on that: How can a tax reform, which is designed to be neutral in terms of the tax yield, endanger our recovery?

Steger: I believe that the tax reform, such as it was designed, could have had entirely positive effects on the economy as a whole. But the problem lies elsewhere. The atmosphere in the country has changed dramatically in recent years. We have an accumulation of anxieties and fears which often are not matched by any realistic political circumstances. If we then accurately analyze how people are really making out, one not infrequently discovers that the fears are unfounded. A similar basic psychological situation existed in connection with the discussion on a tax reform. It turned out that the very concept of tax reform--no matter how necessary it may be--does not trigger any positive associations. In other words, to put it bluntly: The citizens simply did not believe that, in the course of a reform of tax legislation, there would not be some kind of tax hikes somewhere. Broad population circles were afraid that the tax reform would automatically be connected with tax increases and we faced the interesting phenomenon where basically nobody believed that this undertaking would be neutral in terms of the tax yield. This applies above all to the taxation of the 13th and 14th monthly pay envelope, to the tax treatment of severance pay and overtime.

The issue now--and I will fight for that as hard as I can--is that there will of course be tax-reform measures in the course of this legislative term. But that cannot be the case at a certain point in time; instead, the tax reform will have to be carried out in the form of several individual laws.

INDUSTRIE: What should the main points be here?

Steger: Primarily this concerns measures regarding the reduction of red tape, the elimination of tax obstacles to a dynamic economic growth, the tackling of the question of double taxation in the case of stocks and shares, and lastly this will also involve the elimination of multiple taxation. The current assignment given to the experts reads like this: A future tax law structure must make sure that the various occupation categories will have the same opportunities for obtaining favors for the same tax assessment base. If this gradual policy is successful, then we are however not going to have any big redistribution in Austria; instead, discrepancies and regulations that became obsolete a long time ago will simply be eliminated. I hope that Holger Bauer--who is my direct conversation partner in this coalition government on these issues--will be able to implement some of his very good and interesting proposals this year and also in 1985.

INDUSTRIE: But even in a step-by-step tax reform policy, the moment of truth will come sooner or later. In other words, tax reductions on the other side will have to lead to tax increases in connection with other tax-policy measures. Is it not to be ruled out that, in addition to the interest earning tax which was much discussed prior to the elections, other sectors of the mass tax revenue yield--such as, for example, the taxation of vacation and Christmas bonuses and overtime--will again be discussed in the course of this legislative session?

Steger: The federal chancellor several times--also in response to my specific request--made it perfectly clear that there will be no tradeoffs in tax policy. Whether there has to be a tax increase at all is something that only the development of the economy as a whole will show. In other words, it is entirely conceivable that reductions in certain sectors, which I already tried to outline, will not be counterbalanced by corresponding increases in other taxes. I hope that the development of the economic situation as a whole will be so nice that we will be able to do without any such compensatory measures in the context of our entire budget policy. With an annual real growth rate of 2.5-3.5 percent, we would be bound to regain that budget-policy action leeway which would make such a tax concept look realistic.

INDUSTRIE: Did not the pension reform and the tax reform--both of which in the final analysis got stuck in the very beginning--not show clearly that the present parliamentary base is too narrow for any comprehensive reform concepts?

Steger: You know, I have experienced other coalition governments that did not carryout any reform concepts and I have seen single-party administrations that likewise at the decisive moment lost the courage to institute a reform.

This particular administration so far has instituted those reform measures that were necessary. And that also applies to guaranteeing the financing foundations for the welfare state.

INDUSTRIE: Let us now look at the key work of pension reform. Are you personally of the opinion that past measures will suffice, until the end of the current legislative term, in order to guarantee financing?

Steger: I believe that the measures taken in the pension sector are adequate. They will continue to have their effect into the next legislative term because the package of measures now adopted can yield long-term effects. Starting with the 1990's, the further financing of retirement pay will depend very extensively on the economy's overall growth. In other words, on the attainable real growth rates, as well as on the age pyramid of the population as a whole.

INDUSTRIE: Mr Vice Chancellor, very soon after the elections you heavily stressed the liberal correction measures as the main reason for the fact that your party joined the government coalition. Where, in connection with what legislative measures, has this liberal correction aspect become visible to the citizen so far?

Steger: Austria's move toward more socialism was stopped by the entry of the Freedom Party into the government coalition as a consequence of the principle of unanimity. This authority to prevent things from happening is easier to implement than the authority to execute our own designs--and that is something that is perfectly clear to me. Nevertheless, for example, in the Ministry of Trade, in other words, in a specific government department, I can concretely document the move toward more liberalism. This starts with the liberalization of lumber imports or lumber exports and it continues via the elimination of price regulations and strict handling of price management all the way to cranking up our exports on a broad front, coupled with the simultaneous reduction of certain protective barriers at home. This means that our domestic economy remains under a certain innovation pressure and will no longer be disconnected from the overall economic development of the western industrial countries. For example, I very forcefully advocated the use of TV screen text in tourist travel. I can furthermore prove that additional burdens in terms of taxation were not placed unilaterally upon the economy. This is a rather respectable record of success after one year.

5058

CSO: 3620/410

## CVP'S SWAELEN DEFENDS 1985 BUDGET

Brussels LE SOIR in French 7 Aug 84 pp 1,2

[Article by Frank Swaelen, president of the CVP, in the column "Free Tribune":  
"The 1985 Budget: a Milestone"]

[Text] Politics must first of all prepare for the future. Politicians are tempted to think only of the present. The government -- and the political parties -- must have the courage to think about tomorrow and to take the measures today which will safeguard the future. This specifically was the standard used by the CVP [Social Christian Party (Flemish)] to judge the draft 1985 budget.

From the point of view of the future, the problems of the national debt and of employment are the ones which should especially concern us. They are the two problems which unfairly threaten to mortgage future generations. They are the two major political, but also moral responsibilities of the current generation.

Let us judge the 1985 budget in the light of this double norm.

In contrast to previous years, the government will not ask any new efforts from the people. The budget lies within the extension of the government agreement and of the Martens plan of March 1984. The total fiscal burden will not increase in 1985. Contributions for social security have not been raised.

Furthermore, for the first time in years, Minister Dehaene has succeeded in re-establishing a balance in the social security sector.

The government has drawn up its budget with a net balance to be financed of 495 billion francs, which equals 10.36 percent of the GNP. In so doing, the government does not fully reach the objective it set for itself in its recovery plan. However, this result includes a real reduction of the deficit compared to previous years and, consequently, represents another step in the right direction. This right direction is the objective we set for ourselves at the beginning of the year: to reduce the net balance to be financed in 1985 to the EC average, that is to say to 7 percent of the GNP.

The big problem for the coming years will unquestionably be to control the national debt. As a matter of fact, if one disregards the national debt, the budget shows a profit of approximately 90 billion francs in current receipts. According to recently published calculations, the cost of interest paid by the government has become our number one problem.

It is clear and inevitable that measures will have to be taken in this area. A first step is already included in the budget the government has presented to us. Several longer term suggestions are currently under study; special attention will have to be given to management in directing the national debt.

Some people claim that the figures in the draft budget look too good. This is why I would like to remind the readers of two basic figures. The budget anticipates a 1.5 percent increase in the GNP in 1985. There is no doubt that this figure is realistic as several experts and research organizations accept a 2 percent increase and, specifically, the Benelux Council anticipates 1.7 percent growth.

The draft budget also anticipates a 5.5 percent rate of inflation. Here again all the indicators show that this assumption is valid. I am taking advantage of this opportunity to mention that for several years now inflation has been decreasing in our country and that another reduction may also be expected for next year.

The other major objective of the social Christians, but also of the government as a whole, remains the fight against unemployment, for employment. It is a daily struggle, embarked upon and pursued by the social partners as well as by the government and the other authorities.

This is why the CVP reacts positively to the new measures favoring employment. Career interruptions and greater flexibility in the organization of enterprises must further the creation of new jobs. In this manner it will be possible to take new initiatives with regard to unemployment among young people.

The CVP asks that the enterprises assume their responsibility and make the very most of the new opportunities offered to them in this area.

Following a first evaluation of the government's draft budgets, the CVP says clearly to its friends in the government: continue your task until the end of the legislative session. You are on the right road. The people expect Wilfried Martens and his fellow team members to continue courageously to assume their heavy responsibility.

To increase employment, reduce the national debt. Those are the two moral objectives dictated to us by the future. The 1985 budget is a milestone on the road which leads us toward those objectives.

8463  
CSO: 3619/85

## CENTRAL BANK DIRECTOR TAKING MORE ACTIVE ROLE IN ECONOMY

Copenhagen BERLINGSKE TIDENDE in Danish 8 Apr 84 p 6

[Article by Frank Dahlgaard]

[Text] Central Bank Director Erik Hoffmeyer is appearing more and more clearly as the unrelenting umpire in the economic policy game. The open demonstration on the part of the Central Bank at the Copenhagen Stock Exchange last Wednesday shows that Erik Hoffmeyer no longer intends to remain a passive spectator while an inadequate economic policy is being pursued.

The strong man of the Danish economic policy is neither Minister of Finance Henning Christophersen, Minister of Economic Affairs Anders Andersen, senior member of the Independent Economic Advisory Council Karsten Laursen or Prime Minister Poul Schluter.

The strong man is Central Bank Director Erik Hoffmeyer.

This was shown very clearly during the past week.

Last Wednesday, Ib Glud Konradsen, stock exchange chief of the Central Bank, appeared at the Stock Exchange himself, where, suddenly, he demonstratively lowered the price of government bonds and openly signaled to his stockbroker to sell.

The result was a dramatic increase in the interest rate of bonds beyond 15 percent.

The action by Ib Glud Konradsen, stock exchange chief of the Central Bank, last Wednesday, at the Copenhagen Stock Exchange, was no accident, nor was it his own idea.

It was quite clearly a question of a demonstration on the part of the Central Bank against the financial policy pursued by the four-leaf clover government.

The declining bond prices and increase in the interest rate at the Stock Exchange last Wednesday were an unambiguous signal from Central Bank Director Erik Hoffmeyer to the government and the Folketing to tighten the financial policy-- and to do so very quickly.

The next day the press stated that the government is working on an improvement of the state budget, which improvement will take effect already this year.

Erik Hoffmeyer has thus had his way.

#### A Commentary

"Black Wednesday" at the Copenhagen Stock Exchange was preceded by a couple of months of growing disagreement between the government and the Central Bank as to the need of intervention in the financial policy:

In a commentary in the daily AKTUELT on 1 February--thus prior to the adoption by the Folketing of the budget for 1984--Central Bank Director Erik Hoffmeyer warned that the financial policy in actual fact had been weakened in relation to the original budget move on the part of the government in the fall. He pointed out that the trend of the balance of payments is again unfavorable, and that the consumption is growing.

Erik Hoffmeyer wrote his commentary a few days after Minister of Finance Henning Christophersen had anew presented the budget bill for 1984, and while the postal votes were being recounted at Christiansborg.

The central bank director turned the favorite expression of the four-leaf clover ministers against themselves when in the commentary he wrote about the need for a restoration of the financial policy. At the same time, Erik Hoffmeyer pointed to the need for a zero solution in respect of wages during the period 1985-87, as well as some kind of profit sharing if the inflation in prices should exceed a certain percentage.

The government, however, declined to tighten the state finances further with effect for 1984, and, in doing so, was backed by practically all economists, including Professor Karsten Laursen, senior member of the Independent Economic Advisory Council. All economists fear that further economies or increases in indirect taxes may produce wage demands which may set the inflation going anew.

Actually, until quite recently, Central Bank Director Erik Hoffmeyer was more or less the only one who desired to have the financial policy tightened. As a result, he wrote, on 21 March, a small but sensational commentary in BERLINGSKE TIDENDE, entitled 'the Economic Policy Line.'

The message of that commentary was not to be mistaken: It is now a question of adhering to the tight economic policy.

Erik Hoffmeyer did not use that exact expression--which, moreover, is a favorite expression of the Schluter government--but the signal to the government was clear.

Erik Hoffmeyer wrote, among other things: "I have not said that the situation is so urgent that something will definitely have to be done right now, but at the latest, this spring, and I become afraid when people get a distant look in their eyes and start talking solely about next year--that revives a number of bad memories--memories of the weak economic policy that was pursued for 25 years."

### Time Limit Expired

Not now, but this spring, at the latest.

Erik Hoffmeyer, actually, had given the government a time limit of a few weeks. Last Wednesday, the time limit expired, and Hoffmeyer took action.

If the government does not want to tighten the financial policy, the Central Bank will tighten the monetary policy by means of an appreciable increase in the interest rate in the bond market. If the government does not want to take the advice of the Central Bank, there is a surprise in store for it.

To BERLINGSKE TIDENDE, the central bank director said that he certainly had not raised the interest rate, but that the Central Bank had merely adjusted the prices of the state bonds according to the prices of the market. We shall now have to sell state bonds, for the deficit of the state will be growing appreciably in the course of the second quarter, Hoffmeyer said, and the bonds will not sell at the high prices.

At the Copenhagen Stock Exchange, the financial experts laughed aloud when reading the official explanation of the Central Bank in BERLINGSKE TIDENDE.

### Not the First Time

No banker present at the quotation of bond prices at the Stock Exchange last Wednesday had any doubts about the unusually clear and open signal from the Central Bank to the government, and the signal was: tighten the financial policy now.

The signal was caught, and the government has already heeded the demand on the part of the central bank director for a tightening of the financial policy with effect already this year.

Erik Hoffmeyer has thus cemented his position as the strong man in the Danish economy.

It was not the first time that disagreement occurred between the four-leaf clover government and the Central Bank. When the collective bargaining result in the labor market had been achieved on 9 March of last year, the government, led by Minister of Economic Affairs Anders Andersen, urged the Central Bank strongly to reduce its bank rate. The interest rate on bonds had been reduced, and, in the opinion of the government, the bank rate ought to be reduced as well, and as soon as at all possible.

However, Erik Hoffmeyer did not give in to the pressure.

Taught by bitter experience, the central bank director would under no circumstances agree to reduce the bank rate at a time when an exchange crisis and EMS adjustment might occur in Europe, and that was exactly the case at the time.

When Anders Andersen was unable to persuade Erik Hoffmeyer to undertake an early reduction of the bank rate, the minister of economic affairs asked the



private banks directly to reduce their interest rates independently--and a few banks actually responded to the request.

Erik Hoffmeyer, however, did not want to take any action until the exchange rates within the European Monetary System had been changed on 22 March of last year. Only then did he reduce the bank rate (from 10 to 8.5 percent).

#### Krone Policy

It clearly was also the central bank director who was the actual leader of the economic policy of Denmark during the dramatic days in connection with the change of government in September of 1982.

There was absolutely no doubt that both Social Democratic and nonsocialist politicians at that time had considered carrying through a vast devaluation of the krone. Hardly ever before had there been such a clear opportunity to undertake an enormous devaluation of the krone--and never before had the pressure on the krone and the outflow of exchange been as enormous as at the change of government at the time.

The exact content of the discussions in early September of 1982 is only known to a very small circle of top politicians and government officials.

However, we know the result.

The position of the Central Bank to put an end to the policy of devaluation prevailed. And they adhered to the new krone policy, even if, a few days after, the Swedes devalued their krona--and even if our own Independent Economic Advisory Council recommended that we do the same thing.

Incidentally, Erik Hoffmeyer finds it hard to forgive the Independent Economic Advisory Council for its devaluation proposal, which he criticized in sharp terms at the meeting of the Independent Economic Advisory Council.

It is a well-known fact that the Central Bank has had far greater differences with the former Social Democratic government than with the present government. But the Social Democratic government did not, of course, take the advice and recommendations of Erik Hoffmeyer--not even when the interest rate was pushed all the way up to 22 percent.

Instead it chose to give up and resign.

The present government, however, is very sensitive to increases in interest rates at the Stock Exchange. That is why it has yielded to the demand of the central bank director to tighten the financial policy.

Erik Hoffmeyer is the strong man who, with all his might, wants for the government to stick to its own promise of adhering to its tight economic policy.

## BREAK IN LABOR CONFEDERATION ON WORK WEEK

## Metal Workers Union Breaks Ranks

Copenhagen BERLINGSKE TIDENDE in Danish 21 Aug 84 p 1

[Text] The Metal Workers Union maintains that wage-earners who work a full 40-hour week should receive a greater reduction in their working hours than workers who only work an actual 37 hours. However, LO [Danish Confederation of Trade Unions] has proposed a different strategy.

The chairman of the Danish Metal Workers Union feels that it is unreasonable for the LO to demand equal work week reductions for all "full-time" workers in the coming labor negotiations, regardless of whether the workers in question have already achieved an actual reduction to, for example, a 37-hour work week.

"I must concede that the members of LO have agreed that all of the affected groups should receive an equal reduction in their work week."

"If we receive a work week reduction of 5 hours it will mean that workers who have been working a 40-hour week will work 35 hours, while those who were already only working 37 hours a week would work a 32-hour week, but I feel that it would be more reasonable for us to fight first and foremost for those workers who are working the longest hours, and I will press this point during the negotiations," says Georg Poulsen.

Public officials are prominent among those working less than a 40-hour week.

Georg Poulsen informs us that the Central Organization of the Metal Workers would have campaigned for reductions for those workers with the longest hours if they had had an opportunity to conduct decentralized negotiations, and he disagrees with those who claim that work week reductions cannot be obtained via decentralized negotiations.

"When we finally put a hole in the 48-hour week in 1958, it was the result of direct negotiations between steel industry representatives.

"Now I am not saying that we will be closer to a work week reduction with decentralized negotiations, but only that it can be shown that such negotiations do yield results," says union head George Poulsen.

#### Retail Workers Also Disagree

Copenhagen BERLINGSKE TIDENDE in Danish 22 Aug 84 p 1

[Text] HK [Retail and Clerical Worker's Union] does not reject the Metal Workers Union's proposal that the work week should be reduced primarily for those workers who are working 40-hour weeks, even though it would affect HK members' chances for a reduction for themselves.

HK Chairman Jørgen Eiberg will not endorse the proposal that all workers should receive an equal work week reduction at the coming negotiations.

In yesterday's BERLINGSKE TIDENDE, Danish Metal Workers Union Chairman Georg Poulsen launched an attack on LO's plans, which are based on the principal that all workers should receive an equal work week reduction, regardless of how many hours a week they are actually working at present. Metal Union workers are found mostly in industry, where the 40-hour week is a time-honored tradition, while HK members work a week which is 2-1/2 hours shorter than the industrial work week, thanks to the fact that their contract entitles them to paid meal breaks.

"I feel that it would be more reasonable for us to fight first and foremost for those workers who work the longest hours," said Georg Poulsen, and Jørgen Eiberg does not immediately reject this proposal.

"We have to discuss this. Obviously there is a great difference in the two principles, but some compromise solution probably will be found," says Jørgen Eiberg.

He feels that it is a question of economics, and points out that those workers who do work shorter weeks have also paid for that privilege in one way or another.

#### Forty Hour Week Not Standard

Copenhagen BERLINGSKE TIDENDE in Danish 22 Aug 84 Sect III p 1

[Text] According to new figures from the Association of Danish Employers, only half of the workers in Copenhagen work an actual 40-hour week. Workers in the provinces tend to work longer hours on the average. Major differences exist between office workers and retail workers.

New figures indicate that half of the workers in the Copenhagen area work less than 40 hours a week. These workers will not receive the same work week reduction as other wage-earners, if the Metal Workers Union's proposal that the largest reductions should go to those workers who work the longest hours is adopted.

For the time being, LO is committed to fighting for equal reductions for all workers, but this proposal has been criticized by Metal Workers Union Chairman Georg Poulsen, while HK Chairman Jørgen Eiberg feels that the situation must be considered with care. The Association of Danish Employers (DA) has provided BERLINGSKE TIDENDE with information concerning how many of the 180,000 workers under DA's jurisdiction actually work 40 hours a week. The DA report indicates that only 10 percent of the workers in the provinces work less than 40 hours a week, while half of the workers in the Copenhagen area work less than 40 hours a week.

DA Vice President Poul Erik Pedersen told BERLINGSKE TIDENDE that no immediate explanation of the figures is forthcoming. However, he does point out that the shorter work weeks are usually worked by office workers, while the retail workers in the study usually worked exact 40-hour weeks.

Retail and Office Employers Association Vice President Søren Kjaer blames the large difference between retail and office workers on the fact that offices are often open for only 40 hours a week. Many employers of office workers have accepted that these workers take lunch break, thereby reducing the actual work week to the 37.5 hour average. In retail, outlets are open for more than 40 hours a week, and retail employers have no trouble in making sure that their employees work a full 40 hours.

"Retail jobs fall in the low-wage category, and the wage paid is probably a reflection of the work load," says Søren Kjaer.

The difference between these two types of work is also reflected in labor agreements. The retail employees' agreement with DA states that "the normal effective work week is 40 hours," while the office workers' agreement states that "the weekly effective work time is [up to] 40 hours."

The Labor Ministry's 1982 work week study indicated that 68 percent of the population worked 40 or more hours per week, but meal breaks were not considered in this study. Only half pay for their own meal breaks, the study showed.

George Poulsen feels that there are few who could disagree with his opinion that those workers who work the longest hours should be the primary targets for work week reductions. Information from DA and the Ministry of Labor indicates that work week reductions can have different actual effects, and that it is quite difficult to determine just who is really working an actual 40-hour week.

8954  
CSO: 3613/214

## CUTS IN DANISH SUBSIDIES TO GREENLAND HURTING ECONOMY

Copenhagen BERLINGSKE AFTEN in Danish 17-23 Aug 84 p 8

[Op Ed Article by Poul Krarup]

[Text] Poul Krarup, a journalist who lives in Greenland, says that production is a vital prerequisite if Greenland is ever to become self-sufficient. The production should give a surplus that can pay for the service level that has already been introduced.

Home rule, autonomy, independence, the colonial period--words and concepts that each evokes a number of associations in the reader. Obviously everyone would answer that the Greenlanders should make decisions concerning Greenland. But will they be allowed to do so? As long as Denmark sits on the money and as long as the Danish government makes all the decision about where and how much savings should be made, Greenland's home rule is a hollow concept.

In the year that I have been in Greenland I have had prominent Danish Greenland politicians say to me over and over: "You should look at the problems from a Danish viewpoint, not just from a Greenland viewpoint." A typical decolonialization assertion--it is always on the basis of the mother country's assumptions that decolonialization should occur.

Since the problems are Greenland ones, it is very hard to imagine in Nuuk how people who live in Hong or Frederiksberg would look at them. They really don't care in Greenland and it is far from certain that a Dane in Hong or Frederiksberg knows anything about the problems.

A big morning newspaper expressed something similar in an editorial when it wrote that there is nothing in the government's program statement that says Greenland will avoid making the savings cuts being imposed on the rest of the country. I do not think anyone in Greenland is naive enough to think that either. But perhaps one might talk about how the cuts should be made and how much the country must pay for the general income redistribution that is occurring in Denmark.

An example that shows very clearly how differently people experience the situation occurred when Greenland Affairs Minister Tom Hoyem asked the Finance Committee for 300,000 kroner early this summer to pay for bringing a Chinese delegation to Greenland. A local group of the leftist party, Inuit Ataqatigiit [pan-Eskimo party], in Disko Bay asked the minister if it would not be better to use the 300,000 kroner for icebreaker assistance in the bay. Supply ships, shrimp cutters and trawlers could not get through to the towns because the ice was very late in thawing this year.

The minister's radio reply was incredibly condescending. It showed that he regarded the local wish and demand as very stupid. One cannot compare the two things, he said.

Of course that is true. One cannot compare the two things. The ordinary people in Ilulissat and Qasigiannnguit do not care at all whether a Chinese delegation comes to look at houses. It is much more important for them to be able to get to work.

When one cannot afford to pay the rent, the electric bill, the fuel bill and one's other bills, when one is living on need-determined assistance payments because the 13 weeks in which one can get graduated assistance have long since expired, one has some very immediate and relevant problems and demands that are far more important than the visit of a Chinese delegation.

When the ice stays for 7 months out of the year it means less that one cannot get cucumbers and oranges and fresh butter. But it is really important that the factories get in their raw materials, fish and shrimp, so they can get going. It means something that the construction industry gets its materials so building can get started. In general it is important that the activities that start up when the ships come in are not postponed.

When savings are made in Greenland, this occurs in an area as vital as production. It is not just on the service level, as is the case in Denmark. One of the reasons the public sector makes savings cuts in Denmark is to give better conditions for production. When cuts are made in Greenland they affect both the service level and production in order to help the state get rid of its deficit and to help the business sector in Denmark achieve better conditions.

In a more long-term perspective, the Danish view is correct; it is important and it promotes development to exchange viewpoints and expertise with other countries and cultures. But Greenland does not have any surplus, especially when savings are made in such fundamental areas as icebreaker assistance to a region where 10,000 people live. In the little privately-owned mining town of Marmorilik they would never advocate or think it was profitable to save on icebreaker assistance for the first ships to come in. It is essential for production that communications with the outside world remain open as long as possible. And that also applies to the towns and factories of Disko Bay.

In the larger context 300,000 kroner does not mean that much but the example shows how far apart people are when they stand in Kultorvet in Copenhagen or in Disko Bay. It sounds very reasonable that when cuts have to be made in Denmark they should also be made in Greenland. But who is affected by savings made in the production sector? Those who already have a hard time paying their bills will not pay more because of that. Debt rises, pressure on the individual increases, suicide, murder and alcoholism rise.

The cuts also affect the Danes who are sent out or are asked to come to Greenland. They mean poorer officials and more frequent personnel changes and that is also expensive. Moving expenses amount to well over 100,000 kroner depending on the size of the family.

But when people talk about saving money in Greenland, this also affects Denmark. The "Greenland budget" is regarded as money that is stuffed into a "big hole" named Greenland, where the money remains. But the unfortunate thing for the country is that the money invested in Greenland really seeps away again. The money does not stay in the country. All the people's wages go for products from Denmark and the rest of the world. Savings are invested in Denmark. Firm profits are reinvested in Denmark (for example, the Kryolite Company). Few people do as Allan Idd Jensen of Nuuk did when he invested in a brand-new trawler for crab fishing at his own expense and at his own risk and started a crab fishery that provided new local jobs.

Practically everything that is purchased in Greenland is processed to some extent in Denmark and it is transported to Greenland in Danish ships with Danish crews. Very few products are manufactured entirely in Greenland. Most raw materials are shipped off to firms in Europe unprocessed or partially processed. Greenland is certainly an expense for Denmark but the money comes right back to Denmark in the form of demand for Danish products and services. The money also goes to pay the salaries of the roughly 10,000 Danes in Greenland, who would otherwise be getting unemployment assistance in Denmark.

Since I came here last summer savings have been made on KGH [Royal Greenland Trading Company] (supplies, transport, prices, freight, imports and so on), on wages, on the benefits of Danes sent to Greenland, on the Greenland budget ceiling as such and most recently in connection with the home rule government's takeover of KGH's production and export sectors, the most loss-producing of all the KGH activities.

It is quite apparent that Denmark will no longer just put money into the deficit-producing business Greenland is regarded as being.

One of the reasons given for this policy is that Greenlanders would rather be left alone to get by on their own. Some Danish politicians are also a little annoyed that Greenlanders take the liberty of criticizing Danes, that they "bite the hand that feeds them," as they regard the matter.

But this is a very poor time to abandon Greenland economically and it is incredibly immature to be insulted by criticism, whether it is justified or not (depending on one's political orientation).

On the contrary, Greenland is in the situation that it must start "running itself" and getting things to work. Therefore this is not a good time for making savings. Then it would have been much better to save on the many welfare benefits in the 1960's and 1970's. The public sector in Greenland works just as well as it does in Denmark and it is equally well-developed.

It is expensive and until this government took office, Denmark paid up. For in the colonial period the Danes never succeeded in building up a production apparatus that could make a profit and pay for public services. This policy is hurting Greenlanders today when they have to run production with fewer and fewer subsidies from Denmark.

It has been forgotten that profitable production should and must be the basis for the services a country provides for its citizens, whether one is building a socialistic or a capitalistic economic system. KGH will probably correct me, but for an outsider it seems that this state enterprise has put more emphasis on its social function and on the quality of production and production methods than on an operation that will function smoothly and give a surplus that could help pay for public services. It is as if it was not until very recently (since 1982) that they have thought about a surplus in step with the realization that the government would no longer just shell out money to Greenland every time a request was made for funds.

The paradox is that some factories stand idle because the workers don't show up. At other factories so much raw material is purchased that it is impossible to process all of it and the fish must be destroyed. And still other factories do not get any fish deliveries at all. Terrible planning, some will probably say. Other expensive factory facilities stand idle because ice has "paralyzed" the harbors. In Disko Bay because the ice remains from the middle of December to the middle of June. And in southern Greenland because large masses of ice come around Cape Farewell and block the harbors.

The so-called open water towns from Nuuk in the south to Sisimiut in the north can receive raw materials year round. But still we see one of Greenland's biggest employers, Godthab Fishing Industry (GFI) go bankrupt. Why? The firm can get its raw materials at any time of year. The management said the reason was a change in climate that has driven the cod away. But it is still a paradox that should have been studied more closely in past years in a thorough journalistic analysis, if nothing else.

One of the few profitable enterprises in Greenland is Marmorilik--a tin, lead and silver mine in Uummannaq. But only a very small part of the surplus benefits the country. A much larger share is paid out in dividends to the stockholder, a Canadian mine company.



As long as there is no production base in Greenland that can pay for the service apparatus that has been introduced, Denmark must help out by expanding production on Greenland's terms. In this situation we cannot just let go.

Greenland is still 100 percent dependent on Denmark in all areas. And if Denmark turns its back it will be shirking its responsibility. It is "bad policy" and a lack of political maturity for a Danish government to be popular because it thinks it can achieve political advantages by saving on areas that promote production in Greenland.

At the same time the government is pursuing an incredibly imperialistic policy, as manifested in the EC agreement it negotiated and that Greenland was forced to accept and be grateful for. The fishing industry and jobs in northern Germany were secured at the expense of Greenland. England could not have done better in relation to India in the 19th century!

Jobs are more important in Greenland than money with which to pay social benefits. More important for the people, many of whom hide their frustrations and lack of self-respect at the bottom of a bottle.

The Japanese had a much better understanding of the problems in Greenland when they offered a fishing agreement last winter that required Japanese fishermen to trade in Greenland so that the work remained there. Perhaps the reason why it has been so relatively easy for the Danish government to get away with its Greenland policy is that the Danish press did not trouble to make much out of the matter and allowed just a few people to speak out on behalf of the entire Greenland policy.

Concepts of Greenland are very black and white in Denmark. For some it represents adventure. Exciting expeditions, Sirius, polar bears, dog sleds and the fantastic scenery. Others see the people's drinking problems, the murders and suicides, which they present very reproachfully with an undertone suggesting that it is the people's own fault that they have problems.

There is no room in the Danish media for a more balanced concept of the country, its ordinary events, the ideas ordinary people have about their situation or in-depth journalism. And in a way that is also true of the local press.

There are many unpleasant questions that are never asked and never thoroughly examined. That is typical because the individual media organs do not have the capacity to do so.

For example one could look into why some factories produce such large deficits. Why is it cheaper to live in the expensive subsidized houses (which only the "rich" can afford) than in an apartment building?

Why don't workers show up at factories that have the raw materials available? It is too easy to say that they can't be bothered, since most of them could use the money.

Why do so many young people drop out of school? Why aren't there more educational opportunities?

There is a need to investigate GTO's [Greenland Technical Organization] supervision of construction just as there is a need to look into how bidding is carried out. One could also look into which contractors and master craftsmen have earned handsome sums of money in connection with Danish construction projects in Greenland and what became of their profits.

In telling the stories about Greenland people forget that Danes drink too, that Danes owe back taxes and in connection with the stories of violence people also forget that Danish husbands beat their Greenland wives too.

6578

CSO: 3613/217

## FINNISH OFFICIAL: TRADE INCREASE IN NEXT USSR FIVE-YEAR PLAN

Helsinki HELSINGIN SANOMAT in Finnish 16 Aug 84 p 28

[Text] Finnish-Soviet trade will grow by about five percent during the next 5-year period 1986-1991. Negotiations concerning the details are almost finished, two more meetings remain. Prime Minister Kalevi Sorsa is scheduled to sign the agreement the third week of September during his visit to the Soviet Union.

Information concerning the progress of the negotiations and future trade prospects was given at the seminar on Soviet trade organized by the local chamber of commerce which was part of the program of Finland's Fall Trade Fair recently opened in Jyvaskyla.

Foreign Trade Minister Jermu Laine estimated that the scope of the new basic agreement will rise from 25 billion rubles to 26-27 billion rubles.

Commenting on the current state of trade, Laine was delighted to point out that the trade deficit which had earlier this year been estimated to reach 350 million rubles has narrowed down to 100 million rubles more rapidly than expected. He predicted that it might turn into a surplus by the end of the year.

Even though Laine sketched the directions of trade with the Soviet Union and eagerly gave encouragement and advice to business as well as reminded them on various risks in trade, his speech centered mainly on energy policy.

#### Nuclear Power Must Be Discussed

Laine urged that the dialogue on the various energy alternatives for Finland in the 1990's be continued. "We have to discuss a fifth nuclear power plant. We have to ponder what nuclear power will mean to us during the next decade."

He threw out a new term, energy pot, which will require plenty of brain activity in its future structure changes.

Laine described Finland's current economic situation as a stage of quiet waters. The good times have passed and won't come back, but at the moment things are calm. However, this is not a time to rest on our laurels but to

concentrate on global thinking: what Finland wants from the future, what she will be able to offer, who she wants to deal with, with what energy and at what price.

"The world will not have pity on us," Laine emphasized and added that the directions and problems will be ours to solve."

#### New Division of the Energy Pot

Laine also touched upon the sizable Soviet portion of Finnish energy imports. The 5-year period ending next year will be the last one heavily weighted in favor of oil imports. The country faces a new division of the energy pot, diversification of foreign imports. The imports of natural gas, electricity and coal will be increased.

The most significant change in the new agreement is a clear increase in equipment and machinery imports. In addition, the portion of individual business agreements will grow considerably.

#### Soviet Union Plans Wood Gas for Cars

Chairman Ye. P. Pitovranov of the Chamber of Commerce and Industry mentioned an interesting detail of his country's energy conservation program. Over one million cars currently using gasoline will be modified to use wood gas. This decision is not based on energy conservation policies alone but also on environmental considerations as well.

Pitovranov urged Finns into cooperation in this area as well.

In the press conference held before the seminar, Pitovranov admitted that in regard to the Finnish-Soviet trade there is no reason to engage in mutual congratulations and bask in the "everything has been taken care of" atmosphere.

There are untapped resources, and in order to take advantage of them he proposed mutual, wide-ranging talks where shortcomings could be probed and improvements could be suggested. One area worth improving was patents and licenses, according to Pitovranov.

Y. D. Pugin of the Commercial Section of the Soviet Embassy discussed cooperation as well, even though, on the other hand, he also regretted that the Soviet Union cannot contract out a new Kostamus every year. But he pointed out that negotiations are going ahead concerning the renovation of the Viipuri cellulose factory and the extension to the Svetogorsk cellulose and paper factory contract.

Pugin also added that the Soviets have not lost hope about mutual construction projects in Finland and in third countries.

8200

CSO: 3617/213

## FOREIGN PENETRATION OF AUTOMOBILE MARKET AT 41 PERCENT

Paris LES ECHOS in French 14 Aug 84 p 3

[Article by Airy Routier: "Foreign Models have won 41 percent of French Market in July"]

[Text] For the French automobile, yesterday and today are unfortunately the same. The July results, which will not be published officially (the trade union committee of the producers which collects them customarily combines July and August for publication at the beginning of September) confirm the very feeble trend of the first half year. Only about 142,000 vehicles have been sold or 5.2 percent less than in July 1983, according to the tentative figures compiled on the basis of pilot departments.

This new decline is less extensive than the previous months (-26 percent in June) and the cumulative decrease since the beginning of the year is thus reduced to 13.9 percent. Consequently the market has stabilized, but there is no reason for rejoicing. The threatening factor is foreign penetration which amounted to 41 percent of sales in July.

It involves, of course, only foreign models, French models produced abroad (Spain especially) and reimported in France were not counted in these statistics, which accordingly cannot be compared with the English and German figures, for example.

Of course, July is usually a very favorable month for importers who always manage to rack up a score which is obviously higher than their yearly average. In fact, it is the month for model changes for the French producers with exhaustion of the car inventories for 1984 (which lose part of their sales value in the customers' eyes) while the 1985 models are not yet sufficiently available.

It will certainly be necessary one day to change this model system which has no reason for existence or at least see to it

that the change takes place in a period of peak demand (May-June) or more logically on 1 January) in order to facilitate for the producers the operation of this "signal effect".

As for that, this score of 41 percent is distressing. Because it is taking place even though the German models which are the main factor in the imports, have been handicapped by the 5-week strike in the metallurgical industry beyond the Rhine. Its impact, it was rumored, was to be felt during the summer months, with the networks being able, thanks to their buffer inventories of 2 months, to cushion the shock in June. It is clear for July, at least, such was not the case.

With a foreign penetration of this scope, the French see the part of the cake, which belongs to them on the national market, progressively disappear: Peugeot Company and Renault are each reduced below the 30 percent line. The private group, with 29.6 percent of sales is slightly ahead of state controlled industry (29.4 percent).

In the private group itself only Peugeot turns up with 16.7 percent of sales, while Citroen continues its usual decline, dropping to 11.1 percent. As for Talbot, completely on the sidelines, it records 1.8 percent.

As regards results by model, the 205 wins first place for the second successive month on the French market, followed by the Renault 5 which recovers somewhat because of sizeable rebates granted before the appearance in October of the Super R5. For the first 6 months of the year, the R11 remains slightly ahead, closely followed by the 205 which could well finish the year as the 1984 leader on the French market. A Peugeot in the lead, that has not been seen since the 204.

The good score of the Renault 25 should also be noticed. This is poor consolation for the two French producers who are really in trouble now. The communist party and L'HUMANITE are denouncing the moves which consist in taking a gloomy view of things to prepare layoffs and eliminate jobs. It is a poor counter-offensive: the facts are there and they are stubborn.

8490  
CS0: 3519/491

## UNEMPLOYMENT FIGURES FOR FIRST SEVEN MONTHS OF 1984

Paris LES ECHOS in French 20 Aug 84 p 3

[Article by Adrien Popovici: "Increase of 234,280 Unemployed in 6 Months"]

[Text] Despite a slight slowdown in the rate of increase of unemployment, the job situation still remains a source of concern. The drop in wage earners continues and it is possible to fear, like the experts in the OECD, that with a very moderate increase--in the second quarter the GNP fell 0.3 percent--and the absence of new measures to combat unemployment, that it will reach the rate of 10.5 percent at the end of 1985, compared with 9.6 percent at the moment.

This anxiety is completely justified: in spite of the measures taken by the government to remove young people from the labor market (training period and practical courses) and those not so young (pre-retirement, solidarity contracts) never since the outbreak of the crisis has France known such a decrease of wage earners, accordingly of its active working population.

Changes in Numbers of Wage Earners  
Since the First Petroleum Crisis

<u>Year</u>	<u>Number</u>	<u>Percent</u>
1974	- 30,770	- 0.2
1975	- 123,390	- 0.9
1976	+ 242,260	+ 1.8
1977	+ 8,600	+ 0.1
1978	+ 36,570	+ 0.3
1979	+ 92,320	+ 0.7
1980	- 45,140	- 0.3
1981	- 128,220	- 1.0
1982	- 18,390	- 0.1
1983	- 217,870	- 1.6

Source: UNEDIC [National Commercial and Industrial Employment Federation]

The table which has just been compiled by UNEDIC includes all regions. Nevertheless the regions of western France (Brittany, the Loire country) of the Southwest (Aquitaine, South-Pyrenees, Languedoc-Roussillon) and part of the Southeast (Rhône-Alps) have a less depressed employment situation than elsewhere.

By economic activity, loss of jobs is very sizeable in construction, civil and agricultural engineering (-6.8 percent) and in industry in the strict sense (-3.1 percent). In industry, only the sectors of parachemistry, pharmacy, printing, press and publishing continue to create jobs. The agro-food industry is losing relatively few (-0.4 percent).

All the other sectors show a sharp decrease of their workers and more especially those already declining (metallurgy, metal working, machinery, woodworking and furniture industry, and textiles and clothing).

As for the tertiary sector, it was a poor creator of jobs in 1983 (+0.6 compared with +1.4 percent in 1982). That is due to the change of employment in trade (-0.4 percent compared with +1.2 percent) which, with the exception of the retail food business, has considerably reduced its workers, to the stability of transport business (+0.1 percent in 1983) while it had increased by 2 percent in 1982. Although the rate of job creation is higher in merchandising services (+2.6 percent), it is declining with respect to 1982 (+4.1 percent).

#### Thirty-Three Thousand per Month

The trends observed last year seem to continue in the first half of this year. According to the initial results of the quarterly survey of the Ministry of Labor in the second quarter, the workers in the nonagricultural business sectors reportedly dropped by 33,000 (CVS [expansion unknown] figures), or about 0.3 percent. This reduction is less noticeable than that recorded in the first quarter, which reached 58,000, or 0.4 percent.

Still during the first 6 months of 1984, some 91,000 jobs have been eliminated in the private and nationalized sectors.

The sectors most affected are industry (-0.5 percent in the second quarter and -2.7 percent in a year) and especially the intermediate goods area (-0.8 percent in the second quarter and -3.6 percent for the year) as well as construction and civil engineering (-1.6 percent in the second quarter and -5.1 percent for the year).



The slackened growth of tertiary trade (+0.2 percent in the second quarter and +0.6 percent in a year) is a fact in services (including insurance and financial organizations) which are improving about 1 percent a year while trade and transport have nearly stable work forces.

From the point of view of the labor market, the situation is not flourishing either. While the rate of increase of unemployment has dropped compared with the situation from September 1983 to April 1984, it is no less true that in the first 6 months of the year about 235,000 new unemployed (234,280 exactly) have applied for ANPE [National Agency for Unemployment] or on an average of more than 33,000 per month.

From the standpoint of employment opportunities, the level still remains historically low besides. Finally the development of part-time unemployment remains constant and the number of dismissals for economic reasons is increasing.

We definitely are seeking in vain the signs of relaxation or "slight improvement," which the report of the new minister of employment, Michel Delebarre mentions.

The Labor Market at the End of July 1984

(Figures in thousands)

Applications for jobs: 2,184.4 in observed figures, or a rise of 1.7 percent compared with the preceding month and 15.4 percent compared with the same month of the previous year; 2,342.8 after correction for seasonal variations, or an increase of 0.8 percent compared with June 1984 and 15.2 percent compared with July 1983.

Jobs available: 45.2 in gross figures, or a decline of 6.2 percent in a month and 35.7 percent in a year and 43.8 after correction for seasonal variations, or an increase of 8.7 percent compared with the previous month, but a drop of 36.4 percent with respect to July 1983.

Average length of applications: 322 days, or 5 days less compared with the previous month, but 7 days more compared with the same month of the previous year.

8490  
CS0: 3519/491

## CONTROLS ON LAID-OFF WORKERS STARTING BUSINESSES

Paris LES ECHOS in French 21 Aug 84 p 5

[Article by A. P.: "Assistance Is No Longer Automatic"]

[Text] The creation or resumption of a business by the unemployed is going to be more discriminating in the future, or at least, such is the objective of more efficient administration. A measure dating from January 1979, assistance to unemployed workers, who are starting a business, was transferred to the state during the reform of the unemployment compensation system. While before the unemployed worker received financial aid corresponding to the value of his rights to unemployment benefits, now this subsidy will no longer be automatic.

Regarding the money deducted from the state budget, it is up to the department administration of labor and employment to decide on the feasibility of the project. Notification of the decision should not exceed a month in any case. Consequently the first new factor with respect to the previous regulation is: assistance in starting a business is no longer automatic.

It should be pointed out that: once the unemployed workers, who are starting a business, have been granted this assistance they will be exempted from the payment of all social contributions (social insurance, family allowances, occupational injuries, housing assistance, transportation compensation...) during the first 6 months of their new business. However, they will have to continue with the payment of their supplementary pension contributions which will no longer be assumed by UNIDEC [National Commercial and Industrial Employment Federation].

#### Support in case of Failure

Another new feature of this change in regulations, about which a circular (unpublished) of the Ministry of Labor has just specified its extent, is the cases of failure. In fact, if the

prospective unemployed workers fail in their effort before a period which ranges from 200 to 250 days, the administration has the right to demand the repayment of the allowances received on the basis of the period included between the date of the termination of the business and the payment date of the assistance granted.

Example: for a person who had received assistance for 250 days of business and who failed after 121 days, he will have to repay 220 days, with the first 91 days of business not being deductible. Thus for a grant of Fr 30,000--many increased allowances are possible in case of creation of additional jobs (from 8,000 to 20,000 francs, depending on the case)--the person involved will have to repay Fr 26,400. Enough to discourage defrauders or false statements, which, it seems, flourish.

Unemployed workers, who are starting businesses, appear to be more and more numerous, according to the statistics. From 9,200 beneficiaries in 1979, we have moved to 39,900 in 1982 and some 42,000 applicants last year. A total of 135,000 persons have enjoyed this assistance since 1979.

That means that this measure fits perfectly into the system designed to encourage the readjustment of unemployed workers.

#### Organize the Market

However, a question arises: the changes adopted by the employment commission, do they aim at organizing the market or rather to achieve budget savings which taking into account present trends, could range between 1 and 2 billion francs a year?

For the public authorities, the first hypothesis is the right one, all the more so, it is pointed out, that the amount of this "grant" for the creation of a business has increased considerably compared with what it was when it was administered by UNIDEC.

From the point of view of the interested parties, the opinion is more varied: the latter question especially the intervention of the administration as a judge of the quality of the projects and see in the latter a contradiction with the promises made by the president of the republic about shortening of administrative times for the creation of new jobs. It bears watching.

8490

CS0: 3519/491

## STEADY INCREASE OF BALANCE OF PAYMENTS DEFICIT

Athens I KATHIMERINI in Greek 29 Aug 84 p 7

/Article by Nikos Nikolaou/

/Text/ Difficulties in the country's foreign trade are increasing since the balance of payments deficit is steadily growing and its restitution becomes possible through recourse to greater and greater foreign borrowing! This development in the balance of payments is already causing great concern to the ministers of national economy who will be rather reticent in their proposals for economic policy in 1985 since the large foreign deficits now constitute a serious hindrance in any endeavor for a revival of economic activity.

Indeed, as revealed in yesterday's data provided by the Bank of Greece that cover the first 6 months of the current year, the current balance of trade deficit has reached 1,369 million dollars compared with 1,151 and 927 during the same period in 1983 and 1982 respectively.

Economic observers note that this great increase in the deficit occurred under conditions of relative stabilization of imports (except for fuels) and an increase in exports. If, consequently, there were to be even a slight upturn in Greek industry, at which time imports would rise significantly, then undoubtedly unpleasant developments in the deficit would be noted.

Basic determining factors in the increase in the deficit were the greater expenditures by the state for the import of fuels (due to the exhaustion of reserves) and the drop in revenues from shipping.

These unfavorable developments resulted in an increase in foreign borrowing. In fact, in the first 6 months of the year, the public sector borrowed 1,517 million dollars compared with 1,051 and 760 during the same period of 1983 and 1982 respectively. In other words, in just 2 years, the foreign borrowing by the state almost doubled.

More specifically and according to provisional data provided by the Bank of Greece, the balance of payments deficit during the first 6 months in the past 3 years was as follows (in millions of dollars):

	1982	1983	1984
Imports	4,524	4,383	4,983
Exports	1,991	1,836	2,298
Trade Balance	-2,533	-2,547	-2,685
Invisible resources	2,551	2,427	2,300
Invisible payments	945	1,031	984
Balance	1,606	1,396	1,316
Current balance of trade	- 927	-1,151	-1,365
Movement of capital (net)	802	1,177	1,725

The following ensues from these statistics:

1. Expenditures for imports show an increase of 13.7 percent this year compared with a 3.1 percent drop last year due exclusively, however, to imports of liquid fuels. In fact, imports, not counting fuels, amounted to 3.497 million dollars during the first 6 months of this year compared with 3.496 million last year and 3.326 million in 1982. In other words, there has been a stabilization in expenditures for imports that certainly reflects the relative immobilization of economic activity.
2. Revenues from exports are steadily improving, a fact that means that the slip in the drachma has facilitated a relative upturn in exports.
3. Revenues from invisible resources are less because of the big drop in the yield of shipping revenues that amounted to 541 million dollars this year compared with 665 and 787 million during the 6-month periods of 1983 and 1982 respectively. Tourism revenues increased to 442 million dollars compared with 397 million last year but remain lower than 1982 when they amounted to 787 million dollars.
4. The influx of business capital is steadily shrinking and was limited to 131 million dollars compared with 138 and 157 million during the 2 previous years. On the other hand, the influx of capital for the purchase of real estate increased to 203 million dollars compared with 186 and 168 million the 2 previous years.
5. Revenues from the EEC dropped to 346 million dollars compared with 367 million last year and 178 million in 1982.
6. Foreign currency reserves as of 30 June amounted to 1.254 million dollars compared with 945 million as of the same date of last year. The increase is evidently due to greater foreign borrowing.

5671

CSO: 3521/342

## STATISTICS POINT TO INCREASE OF ECONOMICALLY ACTIVE POPULATION

Athens I KATHIMERINI in Greek 1 Sep 84 p 7

/Text/ The economically active population of the country increased 10 percent in the 1971-1981 decade. During the same period, the non-active population increased 19 percent.

The above was referred to in yesterday's announcement by the ESYE /National Statistical Service of Greece/, an announcement that was issued after the completion of Volume 2 on the 1981 population census results.

Specifically, the ESYE announcement mentions the following points:

Statistical tables of Volume 3 dealing with census results on the economic characteristics of the population have now been prepared. In other words, the distinction between the active and non-active population, the classification of the former into employed and unemployed and by sector of economic activity, by profession, by position in a profession (employers, self-employed workers, wage earners, participating members in a family concern or firm). These characteristics have been united with demographic data. Very interesting information is provided from these tables, including the following:

- The economically active population reached 3,544,000, compared with 3,235,000 during the previous census in 1971. In other words, this shows a 10 percent increase in a decade. More specifically, the increase of economically active men was 11 percent and that of women 5 percent.
- The economically non-active population showed a very large increase in the 1971-1981 decade. It increased by 708,000, i.e. by 19 percent. Men showed an increase of 29 percent and women 9 percent.
- The percentage of men 10 years of age and above in the economically active population came to 65 percent, while that of women to 23 percent. In the previous census (1971), these percentages were higher, i.e. 66 percent and 24 percent respectively.

By sector of economic activity, significant changes were observed between the 1971 and 1981 census. Those engaged in agriculture dropped by 252,000, while employment increased in all other sectors of economic activity,

Employment in industry increased by 110,000; in construction by 70,000. In three sectors, namely business, transportation and banking, overall employment increased by 172,000. In the services sector, employment showed a greater increase, i.e. 182,000.

By groups of private employment, an increase was noted in all groups except for farmers and animal breeders who showed a decrease of 340,000, a figure now standing at 973,000.

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CSO: 3521/342

## DEPUTY CRITICIZES PLANS FOR 1985 BUDGET

Amsterdam ELSEVIERS WEEKBLAD in Dutch 4 Aug 84 p 23

/Article/ by Dr Rudolf W. de Korte. VVD /People's Party for Freedom and Democracy/ member of the Second Chamber: "Cabinet Will Have To Do its Homework Over"/

/Text/ The Lubbers' cabinet second "own" budget, as it has provisionally been determined up to now, breathes too little of the atmosphere of the coalition agreement. Fortunately, what's necessary can still be added. Even though the state of the economy is getting somewhat better, this does not mean that the process of retrenchment and healing can slacken now.

It is not yet the day to open Parliament, everything may still turn out well. But what has been made public up to now concerning the 1985 budget inspires grave concern. The process of reorganizing government expenditures that had such a vigorous start last year is beginning to falter. This doubtlessly has to do with the revival of the economy. Unexpected economic successes have yielded an atmosphere of laxness. Structurally viewed, however, our economy is still far from healthy.

It had already begun with the springtime statement which gave a picture of the current 1984 budget. There, it appeared the budget would be exceeded by 1.8 billion guilders. On the other hand, to the cabinet's good fortune, there were unexpectedly good revenues (taxes and nontax funds). As a result, the fiscal deficit this year turned out more favorable than predicted. This is still far from a sign, however, that the budgetary discipline, so eagerly desired by the finance minister, has returned to the departments. Blaming it on the Second Chamber does not help. They were guilty of only one-fifth of the 1.8 billion guilders.

The upwards pressure of overruns, disappointments and claims on government expenditures stands out even more sharply for 1985. For example, a large overrun of 350 million guilders is announced for the expenditures in aid to people living at home. The number of divorces and desertions the costs of which are absorbed by society, is increasing much more quickly than would be expected. The ease with which this happens gives cause for thought. Letting this development



run its course is fiscally impossible, and is unfair to those ex-spouses who do pay alimony. The right to redress from ex-spouses who can bear it financially will have to be strengthened to check wrongfully disbursed aid.

The financing of studies also presents a considerable overrun. It seems that groups of students are remaining in (higher) education increasingly longer and are going through higher, and so more expensive, levels of training. Viewed financially and societally, the cabinet must not resign itself to letting this development slip by them as well.

#### Claims for Damages

Another sore point is the insurance for export credits guaranteed by the state. Taken over a certain period of time, the premiums have to be weighed against the claims for damages. For next year, however, there is talk of 0.5 billion guilders more in claims. In countries like Poland, Nigeria and Argentina, seemingly irresponsibly large risks have been taken. This has probably happened under the motto of preserving employment. But the finance minister, and so ultimately the taxpayer, is left in the lurch. Either the acceptance policy must become stricter or the premiums higher.

Overruns in the EC budget and the Oosterschelde project are gradually becoming traditional. Next year, the two together are asking 0.5 billion more than projected. When will the Netherlands start getting financially tough in the European Council on the subject of EC overruns? The Dutch continue to be more than compliant here; there's scarcely a murmur heard when the snap once again has to be opened for more. The taxpaying citizen no longer has any sympathy for this. Cuts will also have to be made in the EC budget. The low turnout for the European elections speaks volumes. The cabinet can derive a lesson from the Oosterschelde project: Think twice before you start poldering the Markerwaard, and even then we haven't gone into the environmental aspects yet.

The financial aspects are systematically underestimated in such large-scale projects. The community ultimately winds up paying for the deficits or losses--even with private financing. A cabinet warned counts as two.

The cabinet is in a real mess with housing. The relevant department estimated interest in 1983 more rosily than reality permitted. Thus, the property subsidies led to considerably greater expenditures in the budget than predicted. The coalition agreement stipulated that failures should be compensated for in the same sector, to the extent possible. This will have to happen here as well. Moreover, it seems reasonable to let the finance minister set the top level of interest for housing in the future.

#### Reservoir

In developmental cooperation, a so-called "reservoir" has arisen. This has come about because, in the past, approval has been given to developing countries for financing bridges, factories, agricultural projects and the like. In the countries themselves, however, these projects have gone to seed and so this day we have not been able to get rid of our aid funds. This reservoir runs into

the billions. If, in the years to come, we want to partake of this generously, along with the new aid of one-and-one-half percent of the national income, the finance minister is up against a big problem. Would it not be worth considering whether we should scrap this storage lake once and for all?

With new claims, failures and budgetary overruns, expenditures by the national government in 1985 threaten to increase by a cool 3 billion guilders. Then, the fiscal deficit would not fall next year, but would remain fixed at 10.5 to 11 percent of the national income. There is also speculation in the cabinet of raising the BTW [value-added tax] but that, of course, is the path of least resistance. This cannot be allowed to happen. Letting something like that happen in a year with two-percent economic growth is pulling the rug out from under the cabinet's reorganization policy. It would also be a repudiation of the coalition agreement.

Some will still remember Specification '81. True, in 1977-78 it was relatively less, but still sharply reduced. The cabinet of the time, however, was so free of new policy, overruns and budgetary gaps that very few of the cuts remained in the end. If the cabinet's policy is to remain credible, then the finance minister must be supported in his view that the 3 billion guilders cannot happen. A third, if not a half of this must be done away with. A supplementary round of cuts is certainly among the possibilities. The 1.5 billion tax-cut for businesses, however, must survive unscathed.

#### Health Insurance Act

The cabinet also has serious problems with modifications in social security. The, in the meanwhile adjusted, proposed goal of 2.5 billion guilders has only been partially met up to now. Half of what has been met consists of measures in the Health Insurance Act. If they are not accompanied by a statutory provision for freezing the nonstatutory supplementary obligations, which appear in 90 percent of the CAO's [Collective Labor Agreements], the economizing measures will be as soft as butter. If the cabinet does not decide to postpone making the supplements automatic, it can just as well drop these proposals.

When Den Uyl, as minister of social affairs came up with modifications in the Health Insurance Act for the first time in 1981, there was a measure for postponing the nonstatutory supplement in his package. And this is logical as a consciously sought after change in the system of Health Insurance Act payments is being discussed. The Chamber has insisted time and time again that short-term Health Insurance Act payments be treated differently than long-term unemployment or disability payments.

There are two reasons why is it so difficult to meet the proposed social security goal for 1985. First of all, because the most recent round of cuts for this year (the package of 1 July) was partially filled out with incidental cuts. The agreement is that they will be replaced with new, permanent cuts by next 1 January. It is a matter of 0.5 billion guilders that, thus, cannot be counted with the cuts for 1985; otherwise, one would be counting them twice.

The second reason is that the cabinet did not think it had to take any actions on deductions a year too early at the cost of those living on the minimum. This in itself is commendable, but it must be possible as well. Now, it is the above-minimum payments that are once again getting measures dumped on them. Of the 3 million living on the minimum, 80 percent have additional sources of income. They are often better off than the disabled with only an above-minimum WAO /Labor Disability Law/ payment. Here, then, there can be no talk of treating those living on the minimum better. On the other hand, this is valid for those 20 percent "genuinely" living on the minimum without additional sources of income. And the cabinet will have to maintain their buying power at any price in 1985.

#### Civil Servants

The minister of internal affairs has always held himself very strictly to his proposed reduction goal, however difficult it was made for him. In 1985, he will emerge without having to suffer any net reductions in the salaries of civil servants. There have been enough proposals outlined, provided that the cabinet divides the offers honestly between civil servants and trend-followers. The civil servants must not be used to balance the budget.

This is the cabinet's second "own" budget. It would be sad if it did not agree more with the spirit of the coalition agreement. That would also entail great political risks. Fortunately, only provisional decisions have been made. Once back from vacation, the cabinet will have to thoroughly go over and correct its homework.

12507

CSO: 3614/114

## LABOR PARTY ORGAN COMMENTS ON LO, INDUSTRY GROUP REPORT

Oslo ARBEIDERBLADET in Norwegian 23 Aug 84 p 4

[Editorial: "Common Opinion"]

[Text] LO [Federation of Trade Unions] and the Norwegian Industry Confederation yesterday presented a report which gives a common opinion of the existing situation in Norwegian industry. It is an event which in itself deserves attention. As far as we know nothing like this has ever happened. But neither have the challenges to Norwegian industry ever been as clear as they are now.

The report is not an attempt to present a unity which does not exist, said Tor Halvorsen at the presentation of the report. LO and the Industry Confederation will have different views on a number of different questions--the missions of the welfare state, economic policies and also important sides of industrial policy, but as Halvorsen emphasized: "We have an important common interest, namely the desire that Norway have effective industry which produces significantly more than it does now."

In the report the two main organizations in the economy came to a common understanding of the basic problems in industry's situation. Even though today's realities can be documented in numbers and statistics, the unity which is presented is of significant importance. Most of the facts were known before, but in the ongoing industry-political debate there has been little ability--or desire--to bring the known facts together into a total picture of industrial development. The report largely does this, and thereby also contributes to the destruction of some myths in industrial policy.

For those who have followed the industrial-political debate in recent years, wage costs will probably remain as the dominant problem for Norwegian industry. Conservative participants in the debate have concentrated all of their attention on this one factor in industry's situation. The explanation is obviously that such a focus fits remarkably well into the general economic policies of the Conservative Party. This approach has been successful, causing a need for counterarguments by the Labor Party, but not a consideration of the need of a real understanding of the conditions of industry.

It will doubtless come as a surprise for most people to learn that in the combined report wage costs are reduced to one of several factors in the difficulties of industry, and not even the most significant. The report confirms that our hourly wage costs have not developed much differently than in competitive countries, when the entire period from 1970 to today is considered as one, and when hourly wage costs are measured against the countries' own currency units. Seen in isolation, Norwegian industry has not weakened its competitive ability as a result of wage development. Currency conditions and productivity have had a greater influence.

The report emphasizes the importance of interest policies to the ability of industry to meet the demands for conversion and development. In reality the two organizations are now demanding lower interest rates. And when it comes to the clearer demand for initiative, the report contains a convincing documentation of Norway's massive need for investment in research and development work. We need a total investment of about 2 billion kroner in order to come up to the same level as other OECD countries. But as a weak industrial nation our need is undoubtedly much greater if we are to meet our competitors on an equal footing.

The main organizations in our economic life have done their job. Now it remains to be seen if the government will respond.

9287

CSO: 3639/155

## LO, INDUSTRY CONFEDERATION PREPARE JOINT REPORT ON ECONOMY

Oslo ARBEIDERBLADET in Norwegian 23 Aug 84 p 8

[Article by Oivind Nielsen: "New Prescription for Industry: LO and the Industry Confederation Agree"]

[Text] Increased productivity and faster industrial conversion to areas in which Norway will get the greatest returns from its strengths. These are the most important ingredients in the prescription which LO [Federation of Trade Unions] and the Industry Confederation are now preparing together. They want to put Norwegian industry on a course which will increase its formation of assets by 50 percent before the end of the century. That is necessary in order to protect the balance in the Norwegian economy and create jobs for the 350,000 who are registered on the labor market.

But industrial productivity and faster conversion require a significant increase in industrial investment, therefore the interest rates must go down. And much more purposeful investment must be made in research and product development.

"The better the ability to utilize resources, the higher the level of costs that industry can stand," said director Thorbjorn Ustadheim of the Foundation for Industrial Development when LO and the Industry Confederation presented their cooperative project "Norge som industrinasjon" [Norway as an Industrial Nation] at a press conference yesterday. The Foundation for Industrial Development is cooperating with the two interested organizations on this project, which is now planned to be expanded with four followup projects.

The realistic description of Norwegian industry which the two organizations have been able to agree upon in this voluminous report is rather serious. But it is also full of challenges. It was emphasized that an important purpose of the project is to utilize the potential of industrial Norway.

While the western industrial nations including Japan (OECD) today produce 20-25 percent more industrial goods than in 1975 (following the shock of oil prices in 73/74), the Nordic countries are averaging 10 percent over the 1975 level. But Norwegian industrial production has had reverses! It is shown in the report that because oil production has reached a level which will hardly increase significantly in the future, it will be even more important to create new growth in the traditional business sectors. LO and the Industry Confederation agree that this is a national concern in which the state has a dominant responsibility, without defining in detail what that consists of.

#### Interest Rates Must Go Down

But the two organizations agree that greater efficiency, increased productivity and faster conversions depend on increased industrial investment. That fell by over 40 percent in volume from 1981 to 1983. And in order to stimulate new investments interest rates must be reduced.

It is pointed out in the report that Norway invests less in research and development than other industrial countries. If Norway is to come up to the OECD average, the level of expenditures must be increased by 1.9 billion kroner. With the same distribution of financing as in these countries, public research and development appropriations must be increased by between 400 and 500 million kroner per year.

The report destroys a number of myths and dogmas which have proven to be hard to kill in the Norwegian industrial-political debate. It tones down somewhat the importance of the wage level as a factor affecting competitive ability and promotes factors such as technological development, planning and personnel development, better utilization of industrial capacity and conversion to products which give higher production in relation to the input of resources.

The four followup projects which will now be started deal with, among other things, information and motivation, charting industry's need for investment and capital before the year 2000, charting of future industrial development tendencies, changes in products, markets and production processes, and better coordination of the business-political decisionmaking system.

9287

CSO: 3639/155

## SERIOUS CONSEQUENCES OF WORKERS' UNPAID BACK WAGES

Lisbon DIARIO DE NOTICIAS in Portuguese 28 Jul 84 p 6

[Text] According to the Secretary of State for Labor, there were 45,067 workers in the country as of the end of May trying to live with their wages in arrears. That figure, according to the Secretary, would mean that at that time some 3 billion escudos were owed for wages duly earned in 350 companies.

These are the official figures--even though there might be some legitimate reservations about them, since everything indicates that there are many other relevant cases that will be outside the statistics that might be compiled on the subject.

In any case, the fact is that the back wages constitute one of the first, if not the first, manifestation of instability on the labor scene, and its consequences, naturally, are serious. The phenomenon impinges on the economic and social life of the worker, with truly dramatic repercussions.

In a balance sheet drawn up at the beginning of the present year, a figure of more than 130,000 workers thus affected was given--the Interunion General Confederation of Portuguese Workers figured it to be 150,000--with the districts of Lisbon, Porto, Setubal, and Coimbra suffering the most, particularly the so-called "industrial belt" around the capital.

By sectors of activity, and on a nationwide basis, the sectors most strongly affected by the problem are the metallurgical, textile, chemical, and glass and ceramics industries and, lastly, civil construction. In the Lisbon district alone, according to the Union of Labor Organizations, the figure for workers who are owed back wages rose to more than 30,000, employed in 15 sectors--with employers owing about 2 billion escudos.

How have these thousands of workers been living or how do they live? Under what conditions? What have they had to give up? The Bishop of Setubal, referring to the problem and to the lowering of the standard of living which many of the families thus affected have had to endure, has not hesitated to say that there has even been starvation in some homes.



According to the Secretary of State for Labor, the situation should be improving somewhat, showing figures significantly better than six months ago. To that end, the Secretary stressed, the government has not spared efforts for "a fruitful persuasive policy toward businesses for timely payment of wages and payment of arrears."

If there has indeed been a policy of persuasion to get employers to pay wages on time and to bring up to date what they haven't yet paid and if that policy, as it appears and the Secretary states, has obtained results, it is because the panorama created has not been so much due to bankruptcy or insolvency of the majority of the companies involved, as might well be supposed, but rather, when one comes right down to it, an outgrowth and result of open differences between management and workers. The general secretary of the General Union of Workers would thus appear to be right when, at the time that the problem was most acute and the number of workers affected was at its maximum, he expressed to the prime minister the conviction that the 'PS/PSD Executive should apply measures against companies that delay payment of wages as a political weapon."

If that is really the case, it is to be greatly lamented. It is understandable that some companies might indeed be drawn into that situation because of the very crisis that affects everybody. But not if they themselves are helping to make the problem even worse, giving pretext to situations of illegality and despair, in some cases even bordering on downright poverty, in a country where life is already getting more and more difficult.

12430

CSO: 3542/99

## GOVERNMENT'S OPTIMISTIC ECONOMIC FORECASTS DISPUTED

Lisbon EXPRESSO in Portuguese 28 Jul 84 p 15

[Editorial by Fernando Ulrich: "Economic War"]

[Text] The PRFE [Plan for Financial and Economic Recovery] contains a chapter dedicated to the macroeconomic framework which translates: "The general lines of the foreseeable scenario for the medium-term future of the Portuguese economy in view of the data of the present situation and of the main strategic options in place at the present moment."

From the data of the present situation, the Government singles out the high level of foreign debt affecting the possibility of recourse to foreign credit in the future.

The scenario presented forecasts that, starting in 1984, the current accounts deficit in the balance of payments will level off at 1.2 billion dollars a year through 1987. In other words, unless Portugal is deluged with a torrent of foreign investments or the gold market goes up radically, the foreseeable scenario allows for a moderate growth in the foreign debt in absolute terms and a decline in the ratio of foreign currency reserves to foreign debt.

It's a prospect that certainly won't fail to set the international bankers to thinking, especially since an acceleration in economic growth from 1988 onward has been announced. Such acceleration would certainly mean appreciable growth rates, since growth rates for the GNP for 1986 and 1987 have already been forecast at more than 4% per year. Since the Program makes no provision for any reduction in our need for food and energy, that acceleration will naturally apply further pressures on the balance of payments.

The Government took an appreciable risk in making these promises without taking the precaution of conditioning them to the evolution of the global and, especially, European economies. The experience of recent years has shown that the Portuguese economy (with its current structures) cannot grow at a rate appreciably higher than that of its principal [trading] partners without seriously affecting the status of its foreign accounts. It appears to me that in its eagerness to show a light at the end of the tunnel the Government has adopted a rather complacent attitude toward the difficulties that are facing the Portuguese economy.

The melodramatic attitude used to explain and justify the IMF agreement is apparently going to be abandoned. Well, nothing indicates that the medium-term prospects for the Portuguese economy are any more encouraging now than they were then in relation to the need to reduce the foreign deficit in a short period of time. Several countries (including Portugal twice) have done it relatively quickly. Few have succeeded in reconciling a rapid growth with an alleviated foreign-accounts situation.

The truth is that the Portuguese economy is now much more dependent on foreign trade and vulnerable to outside shocks than it was ten years ago. In certain sections of the PRFE the Government seems to be aware of the situation, but then it fails to draw the necessary conclusions.

Let us look at some of the signs of that vulnerability:

1--Remittances from emigrants dropped from 3 billion dollars in 1980 to 2.1 billion in 1983, and for the current year, the Government forecasts that they will not exceed 1.9 billion dollars (if the 1984 figure were to be held to that of 1980, the balance of current transactions would be practically even).

2--The foreign debt totaled 14.4 billion dollars at the close of 1983. On that basis, every one-percent increase in international interest rates means an increase of about 150 million dollars in the foreign deficit.

What this means is that an even balance (or a slight imbalance) necessarily requires a very definite improvement in the balance of goods and services. The PRFE points out this fact but doesn't consider its fullest implications.

To get some idea of the problem, take a look at the following figures:

In 1981 and 1982, exports of goods and services covered about 56 percent of imports of goods and services. In 1984, the Government forecasts that that rate will reach 77 percent and that it will continue to grow until it reaches 84 percent in 1987.

The 1984 result will be achieved largely due to the drop in domestic demand of 13 percent in the two years 1983 and 84. To reach hereafter a coverage of 84 percent by 1987 in a context of economic growth (which calls for acceleration), it will be necessary to reform profoundly the national productive machinery. If instead of 84 percent, that ratio fails to surpass the 77 percent figure forecast for the current year, the deficit in the current balance of payments account in 1987 will be higher by 750 million dollars in relation to the figures forecast by the government. And that's even without disputing the forecast that emigrant remittances will go down only 50 million dollars a year and without allowing for unfavorable possibilities like a rise in the price of petroleum or foodstuffs or a bad agricultural year, etc., etc.

There's no point in painting an even grimmer future. I think that the arguments presented serve to demonstrate that, instead of trying to tranquilize the Portuguese public, the government should have mobilized them for the economic war that we have to wage.

What is the government doing? It tells the economic agents not to worry, since the state will look after everyone's well-being: the public sector deficit will be held to 8.5 percent of the GNP; the acceleration of investment by the state and the public corporations (highly competitive on an international scale in projects) in turn will help private investment to get going; employment in civil construction will go up, but the Law on Incomes is not urgent; the PME are going to set up more job centers, but labor legislation will stay the same; Portuguese citizens will have to put more of their savings into Portugal, but the question of indemnities is taboo.

Portugal doesn't have to be inviable, but if we don't put a stop once and for all to the rigidity, irreversibilities, and irrationalities that characterize our economic system, it's hard to see how the scenario proposed by the government can be realized.

12430

CSO: 3542/99

## SANTANDER DEBATE PITS CCOO AGAINST UGT ON RECONVERSION

San Sebastian EGIN in Spanish 18 Aug 84 p 8

[Text] While the CCOO [Workers Commissions] deemed union participation in the industrial reconversion as inadequate, labeling it as a mere adjustment in personnel and production, a representative of the UGT [General Union of Workers] defended the Employment Promotion Funds and solutions given at the Steel Mills in the course of a round table held at the Santander Summer University on Thursday on the topic "Labor and Reconversion."

As part of the seminar on "Social Demands and Outlook Vis-a-Vis the Industrial Reconversion" held at Menendez Pelayo International University, representatives of the UGT and the CCOO spoke at the round table on Thursday, defending their respective trade union positions, as reported by the daily newspaper CINCO DIAS yesterday. Speaking on behalf of the UGT was Jose Luis Corcuera, confederal secretary of trade union action, and for the CCOO was Julian Ariza, secretary of unitary relations.

## UGT and Steel Mill Results

The positions defended by the UGT representative were no different from the results being applied in the reconversion, viewing the principles applied at the Steel Mills as goals and defending the Employment Funds, positions contrasting with the dissent such aspects have assumed among the Basque working class.

For Corcuera, the industrial reconversion should be accompanied by a policy that will generate jobs and ensure the reassignment of surplus workers. As long as jobs are being generated and as long as workers are sufficiently covered, he said, contracts should be suspended instead of rescinded. Within this framework, "it is possible to approach the reconversion, rescue sectors in crisis, guarantee employment and accompany the process with viable reindustrialization measures."

Corcuera said that the UGT would fight to see that all sectors being reconverted have results similar to those achieved at the Steel Mills or the Mediterranean Blast Furnaces. "We are going to fight so that the reconversion will come about through a suspension providing sufficient legal guarantees that the link with the enterprise will not be lost during the reconversion process and that the workers' reassignment or return to the original enterprise

will be assured," he said. The difficulty lies in how the reconversion is to be brought about, assuring the UGT that the methods used are not traumatic and that they ensure the reassignment of workers laid off to areas to be reconverted.

Corcuera considers that the reconversion law authorizes the necessary trade union intervention, inasmuch as without such intervention, no progress is possible. Finally, referring to the Employment Promotion Funds, he pointed out that they will be defended by the UGT "because the excess labor requires legal security and fair economic coverage."

CCOO: Mere Adjustment

Julian Ariza, from the CCOO, first pointed out that the sectors being reconverted are going through a wildcat reorganization meaning the destruction of a million jobs. He then emphasized that specific measures are required with the participation of the state, autonomous communities and unions. Ariza emphasized that there is no reconversion, but rather, "a mere adjustment of personnel and production" and that in the final analysis, "we shall find ourselves with more industrial employment" without any political intention of having the public sector play its proper role.

Concerning trade union participation, he said that it is sometimes inadequate and sometimes discriminatory, giving the example of the reconversion of the shipyards in which, as in the law itself, the owners are given many prerogatives.

Concerning the Employment Promotion Funds, he said as on other occasions that they were set up to buffer the protest of the workers but that they do not tend toward the creation of alternative jobs.

Finally, he criticized the philosophy of the current reconversion because it "aims to get rid of a series of enterprises, reducing production and personnel, eliminate their costs and ease contracts and layoffs," thus creating a lack of security among workers, uncertainty of employment and a worsening of living conditions.

11,464

CSO: 3548/327

## REDUCED CEREAL IMPORTS ALLOW FOREIGN EXCHANGE SAVINGS

Madrid YA in Spanish 23 Aug 84 p 15

[Article by Melchor Enrique]

[Text] The excellent grain harvest this year, exceeding even the early optimistic predictions of May, will result in savings of over 50 billion pesetas in foreign exchange, according to statements made by the minister of agriculture, fisheries and food at a recent press conference. Carlos Romero, relaxed and communicative during the brief interlude in his vacation devoted to talking with newsmen, stated that some 21 million tons of grain will be harvested (nearly 11 million of barley and over 6 million of wheat), an average increase of 50 percent for all types of grain. As a result, annual imports of some 4 to 5 million tons, basically corn and some barley, can be halved this season.

The minister of agriculture indicated that despite alarmist views a few months ago announcing a collapse because of the good harvest and the liberalization of wheat, the grain market was holding very well, with prices over the guaranteed price, especially with respect to wheat, as we reported on Monday, 20 August. The high market level is logical, he said, because the opening price of holds steady at 28 pesetas a kilo, consequently higher than that of wheat and barley at guaranteed prices of 22.65 and 20.79 pesetas a kilo respectively, and because both grains can be substituted for corn perfectly well in feeding livestock.

Romero said that not only have imports been reduced (the difference compared with last year on the same date is 1.5 million tons of barley and 500,000 tons of corn), but rather, the strength of the market is making it possible to reduce purchases of grain by the National Service for Agricultural Products (SENPA), to which farmers have sold only 500,000 tons of wheat and 800,000 tons of barley. If, as appears likely, the good price level is maintained, the government will save on foreign exchange substantially, money that would otherwise be tied up in grain purchases. The government has changed the vacations of the some 6,000 employees working in SENPA warehouses and storage facilities to make them available to farmers and avoid problems of delays in the harvest which occurred last season.

## Production of Wheat and Barley

	Wheat				Barley			
	1982	1983	1984	1984 1983=100	1982	1983	1984	1984 1983=100
Galicia .....	47,9	56,2	67,6	120,3	3,2	3,6	3,1	86,1
P. de Asturias .....	1,0	0,6	0,9	150,0	0,1	—	—	—
Cantabria .....	1,0	1,3	1,0	76,9	1,4	0,8	1,0	125,0
País Vasco .....	46,7	56,4	72,8	129,1	55,3	73,3	83,0	113,2
Navarra .....	130,3	152,7	184,3	120,7	212,3	380,6	419,7	110,3
La Rioja .....	31,8	97,6	119,0	121,9	60,7	159,0	230,0	144,7
Aragón .....	463,1	389,2	508,3	130,6	935,5	785,0	1.672,9	213,1
Cataluña .....	238,0	196,8	336,0	170,7	402,0	302,6	768,3	253,9
Baleares .....	11,9	6,6	12,7	192,4	17,9	10,5	25,0	238,1
Castilla-León .....	829,2	1.764,7	1.692,6	95,9	1.672,1	3.280,6	4.060,5	123,8
Madrid .....	47,9	50,9	94,3	185,3	60,9	45,6	133,5	292,8
Castilla-La Mancha .....	518,5	423,6	611,1	144,3	1.129,0	1.041,4	2.121,9	203,8
C. Valenciana .....	30,0	19,9	21,9	110,1	22,8	14,6	46,8	320,6
R. de Murcia .....	9,8	12,2	20,8	170,5	75,2	55,0	90,0	163,6
Extremadura .....	218,3	152,3	167,9	110,2	119,8	86,7	326,2	376,2
Andalucía .....	1.784,0	949,1	2.224,6	234,4	501,0	330,8	829,2	250,7
Canarias .....	0,7	0,3	0,6	200,0	0,6	0,3	0,6	200,0
ESPAÑA .....	4.410,1	4.330,4	6.136,4	141,7	5.269,8	6.570,4	10.811,7	164,6

Fuente: Secretaría General Técnica.

Source: General Technical Secretariat

### Legumes for Feed

With respect to the other major chapter of agricultural imports, beans and oleaginous seed for feed, basically soybeans, totaling an additional 3 million tons and costing 112,620,000,000 pesetas last year, it is not easy to reduce this amount substantially for the time being. Nevertheless, Romero explained that his ministry is determined to promote the growing of legumes for feed in Spain and to overcome difficulties stemming from the lack of tradition in growing these crops, insufficient seed and mechanization problems, mainly through the extension of insurance and agrarian contracts for such products.

Along with the promotion of such crops, the ministry will in the coming months continue to organize production in medium-range terms, encouraging corn growing and promoting extensive livestock raising. In addition, it will pay particular attention to improving animal health, especially the eradication of African swine fever, an urgent matter given our future entry into the EEC. With an allocation of 10 billion pesetas, the Agrarian Insurance Plan will be extended to fowl, hazelnuts and hops. Immediate projects also include a series of new laws on farm leasing, common forests, mountain agriculture and the development of depressed regions.

### Community Problem

With respect to negotiations with the EEC, Romero admitted that over the next two or three months, our negotiators will "have a very difficult time" and



that the Community problem will occupy over 50 percent of their time. Nevertheless, he said that there was no hurry to conclude these negotiations, whose difficulties stem less from the problems Spanish agriculture will cause the Community than from the EEC's own internal problems, problems that are much more serious than when England was incorporated, for example. In this sense, he also said that while wine will cause serious problems in negotiations, he does not believe that the same is true of olive oil.

[Note: Chart is from the original text. English usage changes commas to periods]

11,464

CSO: 3548/327

## HYDRAULIC ENERGY RESOURCES GIVEN

Lisbon EXPRESSO in Portuguese 28 Jul 84 p 14

[Text] Hydraulic reserves at Portuguese dams were at 69 percent of their maximum capacity during the week of 16-22 July, which corresponds to the same figure for the same period in 1983, according to the regular weekly release of Electricidade de Portugal, the national electricity authority, on production and consumption of electric power for the whole country.

According to the same source, total power production for that week reached 304.7 million kWh (vs. 307.8 in 1983), broken down into 26 percent hydro and 74 percent thermal. For last year, however, the figures show that even though overall production was practically identical to that for 1984, hydro production accounted for about 41 percent of the total and thermal for only 59 percent.

12430

CSO: 3542/99

## MARKED REDUCTION IN PETROLEUM PRODUCT CONSUMPTION

Madrid ABC in Spanish 5 Aug 84 p 45

[Article by Carlos de Miguel]

[Text] Madrid--Spain is reducing its consumption of petroleum derivatives by approximately 10 percent, according to the figures of crude distillates distributed by CAMPSA [Leasing Company of the Petroleum Monopoly, Inc.] in the area of the monopoly. This decrease is progressive, and it is estimated that the rate of change so far this year is 11.3 percent on the downside.

If the data corresponding to the first semester of this year are used as reference we see that there is a drop of 9.1 percent between the figures for June 1983 and June 1984. Specifically, as of Just of last year, 29,041,000 tons of petroleum derivatives had been distributed during the preceding 12 months. From that date to the present--a calendar year--the figure has dropped to 26,406,000 tons.

The difference is even greater in the aggregate of the first 6 months of the year. Thus, 14,279,000 tons were distributed during that period of 1983, that is, 11.3 percent more than the 12,662,000 distributed in that period of this year. Finally, if we make a monthly comparison, June of this year shows a distribution--and presumably a consumption--of only 1.9 million tons compared to the 2.1 million tons recorded in the same month of last year. Here, the reduction has been 9.9 percent.

## Gasoline Stabilized

Where the greatest saving in consumption has been recorded is in the area of fuel oils, which have dropped 28.1 percent in the year to date, and 22.3 percent in the preceding 12 months. A good portion of this saving is the outcome of the industrial energy reconversion plans implemented by various industrial sectors, among them cement factories and some transportation specialties.

National consumption of gasoline is practically stabilized, with a slight upward trend. Thus, 0.5 percent more gasoline has been consumed in the past

12 months, and this trend reached 1.4 percent in the last semester.

"Extra" premium gasoline (98 octane) has undergone a growth that though seemingly remarkable in terms of percentage--since it has reached 3.2 percent --is not so in terms of volume since it has reached 169,000 tons in the past 12 months. The increase in the first semester (5.1 percent) is more significant. The reason is the better quality of this fuel, and the slight difference in price between this and the 96-octane gasoline.

Finally, a substantial increase should be noted in the consumption of gas oil, especially in automotive uses. The constantly growing number of vehicles with diesel engines is bringing about a revival of this fuel, which has recorded an increase in consumption of some 5 percent during the first semester of this year, in comparison with the like period of 1983. The production of new sports car models powered by diesel engines presages a continued increase in gas oil consumption in the next few months, though a slight drop in demand has been noted as a result of circulating rumors about the possibility of a change in the fiscal regulations concerning this fuel. Nevertheless, it seems that the situation will remain stable at least for the next few months.

[see Table, next page]

Major Petroleum Products Distributed by CAMPSA in Month of June (in thousands of tons)

Items	<u>1984</u>		<u>1983</u>		<u>Rate of Change (%)</u>	
	For the month	Aggregate for year	Aggregate for past 12 months	For the month	Aggregate for year	Aggregate for past 12 months
Automotive gasoline	456	2,600	5,501	463	2,564	5,475
90 octane rating	95	544	1,134	100	550	1,140
96 octane rating	347	1,982	4,198	348	1,943	4,171
98 octane rating	14	75	169	15	71	164
Aviation kerosene	78	408	881	82	440	977
Gas oil	750	5,000	9,815	744	4,836	9,517
Automotive uses	425	2,514	5,017	416	2,395	4,838
Other uses	325	2,486	4,798	327	2,441	3,679
Fuel oil	596	4,549	9,967	800	6,329	12,832
BIA	15	205	560	37	375	453
No 1	383	2,534	5,095	421	3,043	6,803
No 2	191	1,763	4,216	339	2,887	5,511
IFOS	7	47	95	3	24	65
Lubricants	20	104	242	21	110	240
Total products considered	1,900	12,662	26,496	2,110	14,279	29,041

Note: Supplies to foreign ships and planes not included.

Source: CAMPSA

NORWAY TO BE ONLY COUNTRY ALLOWED EC QUOTAS OFF GREENLAND

Oslo AFTENPOSTEN in Norwegian 14 Aug 84 p 4

[Article by Einar Kr. Holtet: "Norway Assured Quota of Greenland's Shrimp"]

[Text] In reality, Norway has assured herself of her yearly quota of Greenland's shrimp, about 2,500 tons. This is part of the agreement Greenland made with the EC. The chances are also that Greenland will receive a capelin quota off Jan Mayen that will be just about as large as the Norwegian quota -- somewhere between 50,000 and 100,000 tons of capelin a year.

Norway is the only country that has received permission to exploit the resources off Greenland as a part of the EC's quota. According to AFTENPOSTEN's information, it is the EC countries that have wanted to offer Norway parts of the EC quota off Greenland. The EC thinks that this could ease future contact with Norway on questions of fishing, it is reported.

The capelin stock in the Jan Mayen area is particularly important for Iceland, which has both great possibilities of exploiting it and which is economically completely dependent upon fishing. At present, Greenland does not have its own capelin fishing boats, and all indications are that it wants to have negotiations with, among others, Norway with the idea of possibly giving its capelin quota to Norway for some years to come.

The agreement with the EC consists of a ten year general agreement and a five year fishing arrangement. Counsellor Einer Lemche in Greenland's government said at the Nordic Fishing Conference in Alesund on Monday that Greenland intends in the first five year period to issue licenses to EC vessels to fish the amount set in the agreement, namely a catch corresponding to 100,000 tons of cod. It is from this quota that Norway will receive its share.

## Norwegian Fisheries Inspection, Says Iceland

"Norway ought to take better care of the resources around Jan Mayen," says the Icelandic Fisheries Minister, Halldor Asgrimsson to AFTENPOSTEN. In talks with [Norwegian] Fisheries Minister Thor Listau in Alesund Monday, Asgrimsson criticized the Norwegian fisheries inspection around Jan Mayen for being too weak. Last Saturday, two Danish and two Faeroese ships were observed capelin regions by Icelandic planes. Norway did not intervene," said Asgrimsson.

"Norway has undertaken itself to carry out inspection in the area, but Iceland thinks that it is too little to have a single inspection ship in such a large sea area.

"I think the Norwegian authorities put too much emphasis on avoiding complications in relations with Denmark and the Faeroes," said the Icelandic Fisheries Minister.

In his talks with Fisheries Minister Listau during the Nordic Fisheries Conference in Alesund, Asgrimsson took up also the question of Norway's fishing for spring-spawning herring--a stock which has been almost completely depleted for years.

"Iceland has put emphasis on continued ban on fishing, and we think Norway resumed this fishing all too early," said the Icelandic fisheries minister.

### Iceland's Fisheries Minister: Capelin Agreement Before Spring

"The agreement on capelin fishing around Jan Mayen must come before next spring. But first a sector line between Greenland and Jan Mayen must be agreed," said the Icelandic Fisheries Minister, Halldor Asgrimsson, to AFTENPOSTEN.

In the discussions on capelin stocks around Jan Mayen, Iceland wants to emphasize that the sea areas involved are maturation areas for capelin, and that fishing them must be done therefore with the greatest care possible.

In a talk with [Norwegian] Fisheries Minister Thor Listau in Alesund Monday, Asgrimsson took up again Iceland's demand for compensation for the Norwegian annual quota of 2,000 tons of bottom fish in the Icelandic area.

"Primarily we prefer to have capelin as a quid pro quo for this. The 2,000 tons corresponds to approximately 25,000 tons of capelin. Later a cod quota in the Barents Sea is also a possibility," said the Fisheries Minister.

Iceland's own cod stocks have gone down catastrophically, with the result that the entire fishing fleet is now underemployed, both the trawlers and the factory ships. Iceland's 52 factory ships have nothing to do for much of the year, since there is no capelin to catch.

"Because of the short distances, the capelin quotas are more interesting for the Icelanders than any possible quotas in the Barents Sea. Without compensation being given, this is the end from this year of the Norwegian 2,000 tons quota," said Iceland's Fisheries Minister. He has also asserted this during his conversations he has had with Fisheries Minister Listau in Alesund.

## GOVERNMENT STUDYING WAYS TO ASSERT SOVEREIGNTY ON SVALBARD

## High-Level Government Delegation

Oslo AFTENPOSTEN in Norwegian 13 Aug 84 p 5

[Article by Thorleif Andreassen: "Clearer Norwegian Emphasis on Sovereignty Over Svalbard"]

[Text] Svalbard, August.

It was a correct and polite tone which characterized the meeting between Norwegian and Soviet authorities on Svalbard last week. "We are always happy to get a visit from Norwegian politicians. We disagree in some questions. But with today's complicated international situation it is important to maintain good Norwegian-Soviet contact and to have stability in the distinctive Svalbard region." This was pointed out by the new Russian consul in Barentsburg, Victor Jürgens, when Storting President Per Hysing-Dahl and Justice Minister Mona Røkke visited the Russian community. The necessity of good contact and stability in the region was clearly emphasized from Norwegian quarters also.

That the visit in Barentsburg is associated with the emphasizing of Norwegian sovereignty over the group of islands is obvious. This is the first time a Storting president has been on an official visit to Svalbard. The justice minister has visited Svalbard and the Russian settlements four times in three years. It seems obvious that the Norwegian authorities through their relatively frequent visits the last few years want to emphasize this sovereignty in a more conspicuous manner than was the case earlier.

On the whole the atmosphere was properly official, but sometimes it was humor which dominated. This occurred, for one thing, when Consul Jürgens bade welcome to a tasty meal. "We have not had any reason to feel offended by the Norwegian Storting, which never forgets the Russian settlements during their visits. We are happy about this. It is said that the way to a man's heart is through his stomach. But where the way to a politician's heart lies, well, continues to be a mystery. Today we are trying with food." To this Storting President Hysing-Dahl replied pertly: "There are many complicated ways to a politician's heart. But one of them is through the stomach."



During our stopover in Barentsburg we were shown around the Russian settlement, including the nursery, which was very inviting with many living plants from the locality's greenhouse. The children themselves lay asleep in adjoining sleeping quarters. We snuck in and looked at those who were lying peacefully asleep. "Children we have in common. They are the same the world over. And this is good," Hysing-Dahl said to the Russians, who nodded in approval.

AFTENPOSTEN accompanied Per Hysing-Dahl and his retinue during their extensive trip to Svalbard. "For me it has been quite natural to contribute to Norway's presence in this manner and to emphasize the importance attached to the island group. If this is the first official visit of the Storting president, it must be repeated at relatively short intervals."

[Question] How short?

[Answer] "In any case once every four years," the Storting president emphasized.

[Question] In the opinion of many, Norwegian enforcement of sovereignty over Svalbard was not good enough in previous years, is that not so?

[Answer] "The most important task for Norway is to assert sovereignty and attend to the responsibility we have taken upon ourselves. Our presence is the very basis. It must rest on a foundation which is primarily industry."

Hysing-Dahl believes that it is fortunate for Norway that all these years we have had the Great Norwegian Spitsbergen Coal Company on Svalbard. "The coal operation has been, is and must continue to be the main element in our presence up here. Our nation has to an increasing degree become more aware of the importance of a strong Norwegian presence in the polar region," he says. The Storting president also mentioned other activities which strengthen the Norwegian presence, i.e., the fishing fleet, research, oil exploration and tourism.

"It is a fact that as the military strategic situation has developed in the northern ocean regions in the last couple of decades the group of islands has from this viewpoint gained increasingly greater importance." This, Per Hysing-Dahl emphasizes, charges the Norwegian authorities, too, with greater vigilance. "The Svalbard Treaty does not permit military ventures. I think that the countries which are parties to the treaty should be happy that it is precisely Norway which has sovereignty here. For no one can doubt that we will comply with the treaty's resolutions on this point--and thereby contribute to keeping tensions down in the northern ocean regions."

[Question] During the time of your stay here a number of negative consequences of tourism have been pointed out from several quarters. Not least that harm to nature has been repeatedly mentioned, is this not so?

[Answer] "I am not as a matter of course alarmed by tourism on Svalbard. In itself it can provide a basis for an important industry on the group of islands. The question is how we are to control and get a handle on tourism."

But I will not take a distinctly negative position on it. The effects of a pollution nature--or other effects of the tourist traffic which can hardly be combined with the distinctive natural environment up here--we must put ourselves in a position to control."

This is Hysing-Dahl's opinion, who himself is tremendously fascinated by Svalbard's rough natural environment. Indeed, spending the winter at one of the island group's outposts is not an alien idea for the Storting president. On several occasions during the stay he stated that this arctic natural environment entails adventure and challenges. We will come back to this and his experiences in the harsh polar regions.

#### Private Business Activity Welcomed

Oslo AFTENPOSTEN in Norwegian 17 Aug 84 p 3

[Article by Thorleif Andreassen: "Svalbard Council: Private Businesses Welcome on Svalbard"]

[Text] Svalbard, August.

"Now is the time to open up for private businesses on Svalbard!" This is the recommendation of the Svalbard Council, which has been made a central point of the government's Svalbard report which is to be presented to the Storting in the 1985 spring session. The council mentions more tourism as a topical alternative industry. The expanded use of Ny-Ålesund as a supply base for the fishing fleet in the region has also been given the green light by the Svalbard Council. In addition, contract terms which will ensure longer average stays on the group of islands have been recommended.

The Svalbard Council's statements will be among the basic data the government will develop its report on. The last Svalbard report was written in 1974-75.

[Question] Did the Svalbard Council make a breakthrough for its views this time?

[Answer] "Yes, I think this is the main impression," Svalbard Council Chairman Telecommunications Chief Trygve Øvre emphasizes to AFTENPOSTEN. "Our statement was quoted in its entirety and cited a number of times in the report," he says.

The council believes that the coal business should be the supporting element for exercising Norwegian sovereignty over the island group. Both the Great Norwegian Spitsbergen Coal Company, the Svalbard Council and Norwegian authorities have been somewhat restrictive as far as the establishment of other private industries is concerned.

But now, accordingly, the council thinks that the time has come for the authorities named to display a more positive attitude toward the establishment of other viable businesses which can strengthen the Svalbard community.

In this way the community's operating deficit will be lower, jobs will be established and the community will receive more legs to stand on, Øwre stresses.

#### More Tourism

Especially for environmental protection reasons, the Svalbard Council up to now has had a very reserved attitude toward the development of tourism and the building of hotels. There has been a general feeling that plans should be limited to community hotels for visitors who perform regular assignments on Svalbard. However, the Svalbard Council points out in its statement that the experience from the last decade, with increasing numbers of tourists, all the same can suggest that wear and tear on the vulnerable natural environment has been little noticeable.

This year a service building project is being erected for camping tourists at Hotel Promontory near Longyearbyen, according to a recommendation by both the Svalbard Council and the Polar Council. A majority in the Svalbard Council has therefore agreed that some expanded tourism should be under discussion as an alternative industry; it must be a precondition that the authorities establish the scope terms out of regard for the natural environment, it has been said.

#### Separate Tourist Agency

Trygve Øwre points out that today there is no separate authority or concern to attend to and guide tourists. "This will have to come. Now tourism can be a burden for the District Governor's Office, which has a great many other duties to attend to," Øwre states.

#### Hiring

The council states further that the changeover from the contract system to normal hiring and termination terms in Great Norwegian as of 1976 has produced increased stability and attachment, both within the concern and in the community as a whole. "The Svalbard Council regards it as unfortunate that an out-of-date system with long-term arrangements is being maintained within State services. From a community viewpoint it is important to have a quickly carried-out revision in the direction of normal conditions in this area. In the first round contract terms should be aimed at which ensure a longer average length of stays in Svalbard and which lower the turnover in State jobs," it reads.

#### Polar Bear Hunting

With the exception of one member, the Svalbard Council advocates that the opportunity be opened up for quota-regulated polar bear hunting. If this presupposes changes in the existing polar bear agreement between the Arctic countries, such a change should be worked for in Norwegian quarters, it is believed.

## Advisory Agency

The Svalbard Council is an advisory agency for the central and local public administrations in questions which these present to the council. According to the regulation, it can also take up questions directed toward the authorities which can be of importance to the population on Svalbard. In its statement to the government, the council indicates it to be very important that the authorities arrange for equal living conditions--and the same degree of influence on development of the local community on the part of the individual citizen--as in a local community of equal size on the mainland. Normalization is the very key word in this respect.

## Local Self-Rule

The Svalbard Council finds it reasonable that the population on the group of islands receive as large a right to have a share in and as great influence on community development on Svalbard as at all possible. It is plainly believed that the authorities must arrange conditions so that the Svalbard Council with its subcommittees can function as much as possible like a city council and its decision-making bodies and committees.

## Administration Tightened Up

Oslo AFTENPOSTEN in Norwegian 18 Aug 84 p 3

[Article by Thorleif Andreassen: "Svalbard Norway's Responsibility; Emphasis on Sovereignty in Harsh Polar Territory"]

[Text] Svalbard, August.

"Extremely interesting. Quite spectacular natural thrills." This was asserted by Storting President Per Hysing-Dahl during his five-day visit to Svalbard. Few have the privilege of seeing so much of the arctic islands as the Storting president and his retinue. The district governor's helicopter and the ship the Polarstar saw to this. Hysing-Dahl's effort in emphasizing Norwegian sovereignty over the group of islands has involved a number of harsh natural adventures, among others, several landings in the Polarstar's light rowboat.

High ocean spray, two degrees above freezing and the midnight sun formed the frame around a damp Storting president's landing in Bock Fjord, where he visited an international scientific expedition. "Refreshing," Hysing-Dahl asserted.

Nastasja Heinz, curator at Oslo University, led the expedition. The camp consisted of tents and a little wooden shack which was made of driftwood and was encircled by polar bear wires. If a bear brushes against the wires the alarm light goes on. The Storting president did not see any polar bears on his trip. On the other hand, Nastasja Heinz showed him rocks with parts of fish which were 3.9 million years old. Had the fish lived in salt water or fresh

water? If an answer is gotten to this question, we will know much about the process of formation in this area, we were told.

That Hysing-Dahl does not easily get seasick was absolutely an advantage when the Polarstar was met by strong winds in the polar sea. This is his third visit to Svalbard. At the beginning of the 1970's he was on the group of islands with the Storting's industry committee, but Hysing-Dahl was on Svalbard already as a 17-year-old. "I was a galley boy on the steamship Inger-6 out of Bergen. It was a 7000- to 8000-ton ship and was among the largest ships in the Norwegian fleet," the Storting president smiles, and relates that the Inger-6 brought coal from Svalbard to Oslo. Hysing-Dahl's job on board consisted in peeling potatoes, but he was also assigned to stow coal. "Phenomenally courageous. It was an exciting experience at a young age. Svalbard made an impression. A vessel which was used in the area was called the Isbjørn [Polar Bear]. I sent a telegram home with this wording: 'Today I met a polar bear, but it went well.'"

[Question] Are there big changes on Svalbard today as compared with your first visit as a galley boy?

[Answer] "Yes, the changes are especially noticeable in the large number of buildings in Longyearbyen. The buildings have become considerably better. At that time Svalbard was a typical male community with only three of four women," Hysing-Dahl says, who was very happy to speak with Ragnfrid Øwre, who was born and raised on Svalbard. She is soon to retire and could of course tell of many interesting experiences. She had her first smoke as an eight-year-old. "Several other young people and I got to smoke sealer Hilmar Nøi's pipe and drink coffee from his cup. Both had a strong taste. His cup had not been washed for a year," laughs the lively character Ragnfrid Øwre, married to the telecommunications chief on Svalbard.

At Isfjord Radio the Storting president was offered a job as a vacation relief worker in the diesel section. "Fine," Hysing-Dahl answered, "as long as I don't have to be an electrician." At the engineering station, which is equipped to attend to satellite communications with the mainland, aids for flight communications and, not least, shore communications, there are only four employees: Station Chief Gunnar Johansen of Vadsø, Cook Knut Leistad of Levanger, Chief Machinist Terje Bye of Tønsberg and Telecommunications Engineer Bente Dyre Hansen of Skien.

We were informed that in 1982 tests were made by the Telecommunications Research Institute of TV reception via satellite. The little OTS [expansion unknown] antenna, which has a diameter of three meters, was used, and a separate program which was broadcast from the English Goonhilly Station especially for this experiment, among others, was received. The conclusion is that it will be possible to receive TV signals with acceptable quality and reliability. With this there is hope that the delayed broadcast of TV programs from video tape, which has taken place on Svalbard since the 1960's and 1970's, can be replaced within a reasonable number of years by TV programs broadcast directly via a ground station.

A very extensive trip schedule had been planned for Storting President Hysing-Dahl, Justice Minister Mona Røkke, Expedition Chief Hans Olav Østgaard and Storting Office Manager Erik Moe. The Norwegian Polar Institute's research station in Ny-Ålesund was also on the schedule. It is at 78° 55' N and 11° 56' E and is one of the world's northernmost land stations with a year-round crew. In no other areas in the Arctic is the sea so open so far north in the winter time. This is associated with the fact that a branch of the Gulf Stream, the West Spitsbergen Stream, passes northward off the coast and into the Arctic Ocean and has a favorable influence on the climate in this high-arctic region. "This place entails adventure," Hysing-Dahl said when he was shown around Ny-Ålesund and, among other things, saw the mast Roald Amundsen moored the airship Norge [Norway] to on his expedition to Nome, Alaska, on 11 May 1926.

The Svea Mines, Longyearbyen; yes, the hospitality was great everywhere visited. Justice Minister Mona Røkke met many old acquaintances from three former visits. The "Good Weather Minister" is what the cabinet minister is called up here on Svalbard. Regardless of how bad the weather is, it always gets better when Mona Røkke comes to visit. This was constantly repeated to the justice minister, who on her part often pointed out the important tasks which the Norwegian authorities have been charged with as far as Svalbard is concerned.

Much positive has also taken place on the group of islands: The central administration has been strengthened. The local administration and rescue service under the district governor have been expanded well. Year-round airfields with an attached flight safety and ground service have provided good regularity for routine flights from the mainland and increasing local traffic. Telecommunications services have been planned for the same level as elsewhere in the country and have been organized as on the mainland. Internal communications with Svea and Ny-Ålesund have been improved considerably. A new post office and bank building project was put into service in 1983. Continuous operation of the school department and hospital has been introduced. An arrangement with a minister on year-round duty is being practiced. The private building loan legislation has been put into effect. Year-round operations in Ny-Ålesund have gradually been stepped up. Internal transportation between the Norwegian settlements has been better organized. The Labor Commission's duties have been transferred from a central to a regional unit in Tromsø. A service building is to be erected at the camping grounds in Longyearbyen in 1984.

Svalbard has been placed on the highest level on the political agenda. If Norwegian sovereignty over the group of islands is to be maintained effectively, local supply must be expanded. A broad presence on Svalbard is the very precondition for maintenance of sovereignty. Our authorities have taken the consequences of this.

## Conservative Daily Makes Recommendations

Oslo AFTENPOSTEN in Norwegian 20 Aug 84 p 2

[Editorial: "Broad Presence on Svalbard"]

[Text] Presence is the very foundation of the maintenance of Norwegian sovereignty on Svalbard. A very great responsibility rests on Norway in this important and highly sensitive area. Regrettably, this responsibility was not sufficiently paid attention to by Norwegian authorities in former years. Several unfortunate consequences of this neglect are now in the process of being compensated for. True, some remain, but we are on the right track. Not least, the present government has contributed to this, among other things, by frequent travel activity on the group of islands and giving higher priority to Svalbard on the agenda of political causes of current interest.

Norwegian presence on the Arctic Ocean islands has been based chiefly on operation of the Great Norwegian Spitsbergen Coal Company. The coal company must continue to be the supporting element for exercising of Norwegian sovereignty over Svalbard. But in our opinion, the time is ripe for opening up for broader industrial activity on the group of islands. In this respect we share the Svalbard Council's recommendations regarding displaying a more positive attitude toward the establishment of other viable industries which can strengthen the Svalbard community. A multifarious presence of a non-military nature will strengthen the foundation for maintenance of Norwegian sovereignty.

There are sharply divided opinions regarding whether one ought to gamble on the tourist industry in this distinctive natural region. Some believe that tourism should not be expanded because it will mean a burden on the vulnerable natural environment. Again we will refer to the Svalbard Council: "The experience of the last decade, with increasing numbers of tourists, can suggest that the wear and tear on the vulnerable natural environment has been little noticeable."

We want as many as possible to be able to share the thrills of nature on Svalbard. This does not mean that we are trivializing the danger of harm to the natural environment. Clear rules have been drawn for travel in the region. New ones can be added if needed. It must be seen to that these rules are complied with. Therefore, an authority ought to be established, in addition to the District Governor's Office, which attends to this need and at the same time is a service agency for tourists. Increased tourism can produce more jobs and expand Norwegian presence on Svalbard. Other industries, too, which do not represent harm to the island group's natural environment ought to be judged positively and without prejudice.

There appears to be broad political agreement that Norwegian sovereignty over the Arctic Ocean islands is mandatory. The sovereignty must be exercised with a firm hand. The lines must be clear. Vacillation is confusing. And no one

is served by this in this constantly and increasingly more strategic northern ocean region. The two-way channels between the Soviet and Norwegian settlements on the group of islands must of course remain open: The stability and low state of tension must be maintained! This requires a continuous effort.

The necessity of good contact and stability on Svalbard was stressed strongly during the Norwegian-Soviet meeting in Barentsburg recently. This was an important act of emphasizing. With today's ice-cold gust of wind between the East and West it is of supreme importance to have a mild and stable climate in a region of tremendous importance in the military strategy respect. For a little country with responsibility for sovereignty it goes without saying that its presence must be as broad as possible. The tasks are many. Intensified vigilance a matter of course.

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